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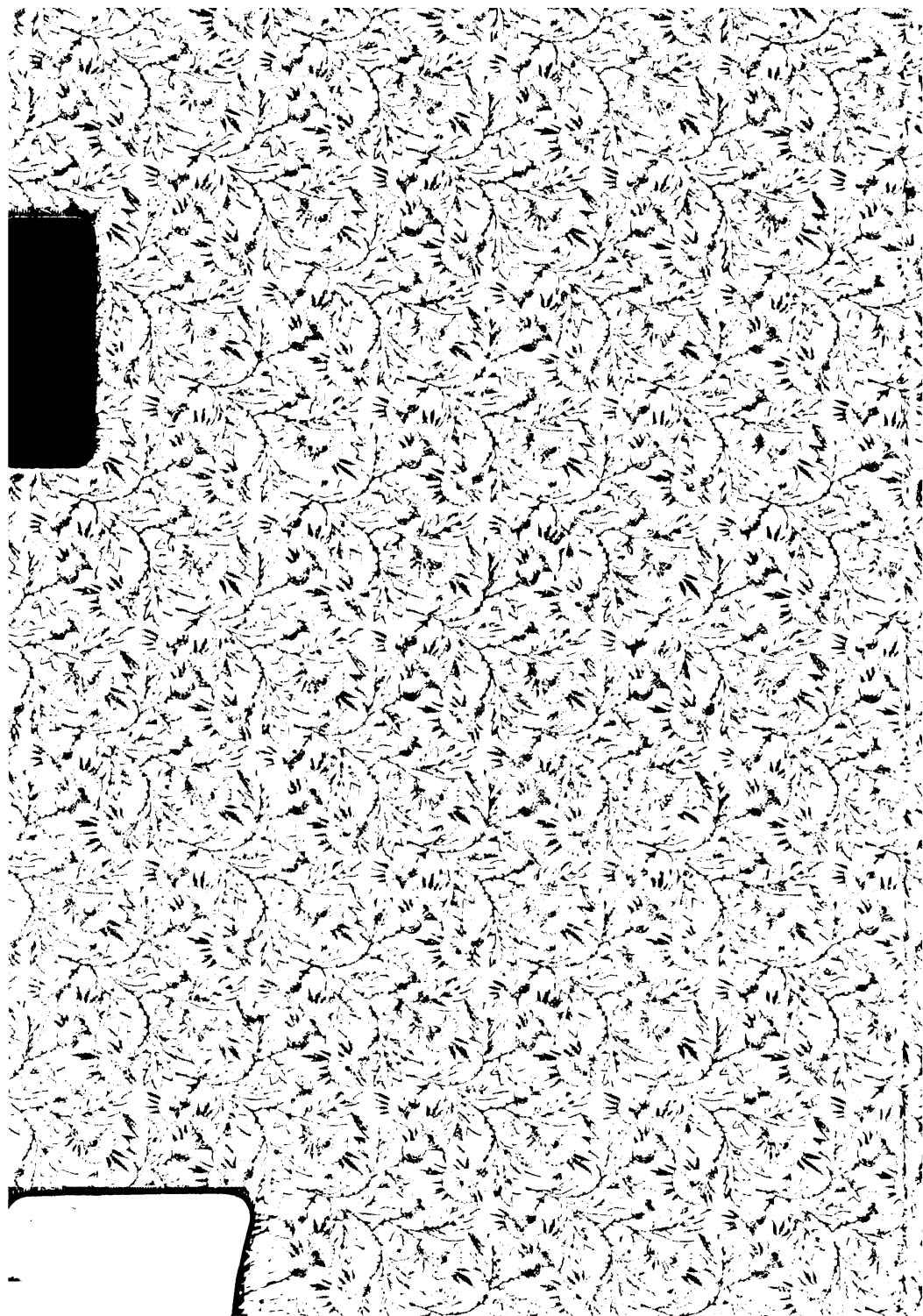
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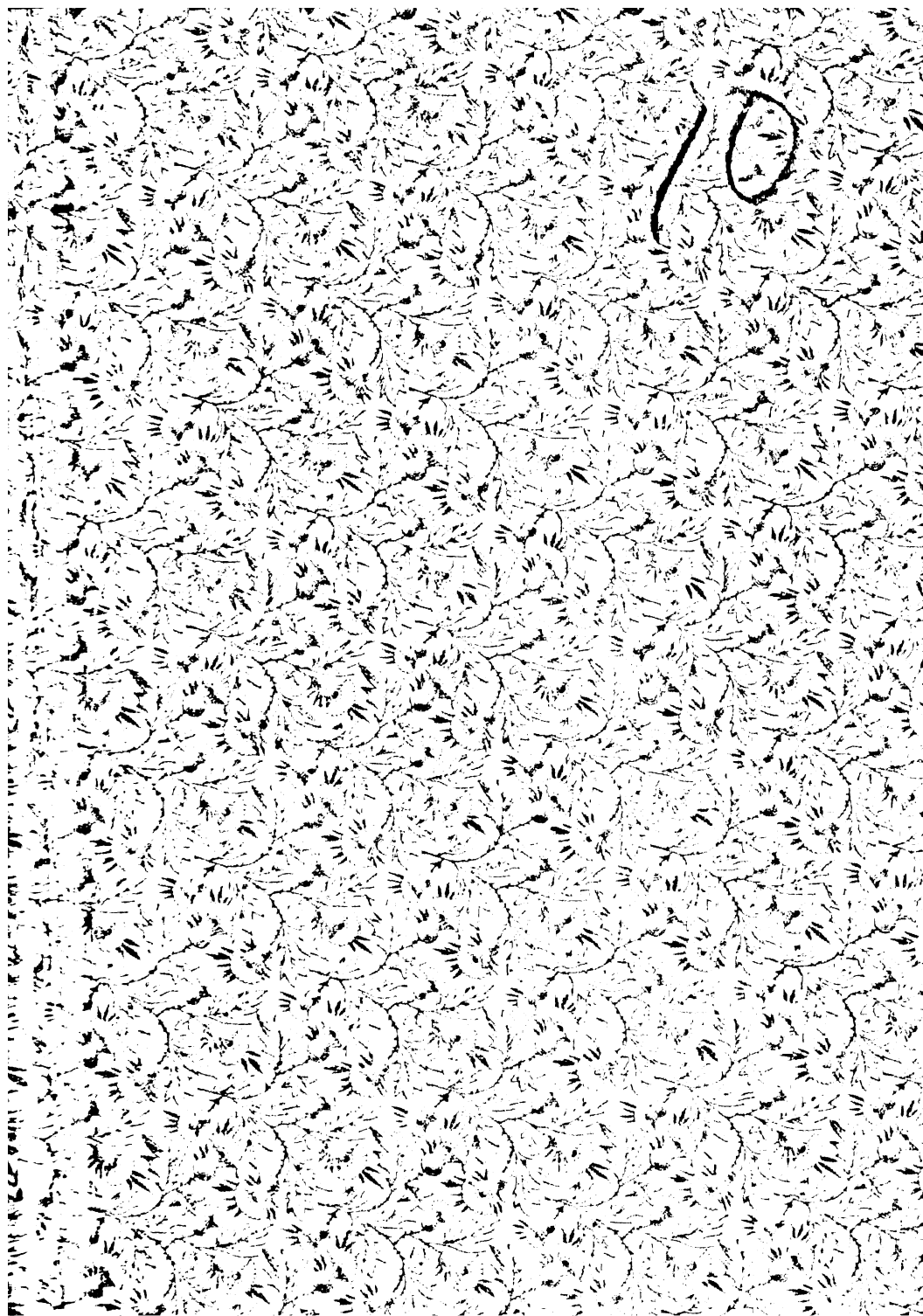
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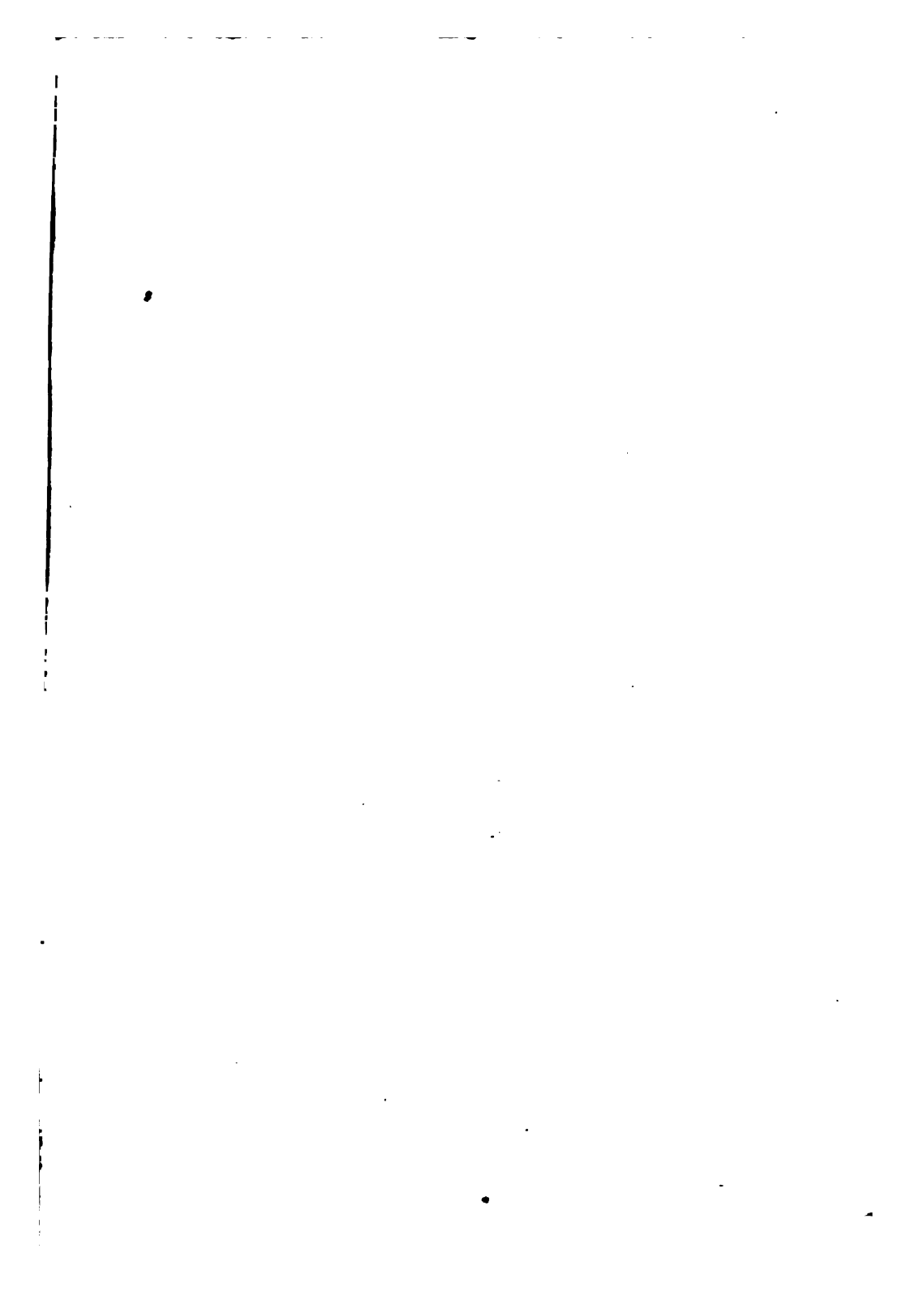
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Benj. Franklin

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Ueberland, B. & C. Co.

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HOW TO MAKE MONEY And HOW TO KEEP IT; OR, CAPITAL AND LABOR.

Based on the work of
THOMAS A. DAVIES,

Revised & Rewritten, with Additions,

BY

Henry A. Ford, A. M.

"He that holds fast the golden mean,
And lives contentedly between
The little and the great,
Feels not the wants that pinch the poor,
Nor plagues that haunt the rich man's door,
Embittering all his state."
Cowper.

DETROIT:

The Chamberlain Publishing Co.

1884.



HOW TO MAKE MONEY And How to KEEP IT

A decorative background featuring a classical urn on the left, a banner draped across it, and various flowers and leaves scattered throughout. The title is written in a large, ornate, blue-outlined font.

OR CAPITAL
AND LABOR

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PREFACE.

"To know what road to follow to obtain Wealth and Honor, and the way to find that road, is, beyond all doubt, a species of information of the greatest value."



THE reading world does not lack for books upon business and finance, upon political economy, ways to get rich, diversities of employment, and the like. But most of these are many years old, and in their facts and illustrations have fallen behind the march of the age. The need of a fresh treatment of the subject, in the light of modern principles and methods, with recent statistics and examples to make clear the best precepts of business, is evident, if not glaring. Such a want it is the effort of this book to supply. As Mr. S. H. Terry says: "So long as we see the many instances which occur of men long experienced in business failing, we may properly conclude that all is not yet known by even the experienced, and

that it is quite probable that many, who by reason of the length of time they have been in business the world regards as wise and skillful in managing their affairs, have yet much to learn."

Casting about for a suitable basis or beginning of a new book, nothing better was in view than the admirable work of Mr. Thomas A. Davies, of New York, first published in that city nearly twenty years ago. The testimony of successful men, that they owe their success to its perusal and the punctual following of its injunctions and plans, is conclusive of its value. By a liberal arrangement with Mr. Davies, therefore, the major part of the following treatise is a revision of his book, for the material of which ample credit to him is due. Chapters V. to VIII., inclusive, are the only ones that have been written expressly for this work, and important parts of Chapter VIII. are derived from Mr. Davies. The whole constitute, it is believed, the most complete and satisfactory discussion of the subject now before the public. The editor and publishers join in the ardent hope that it may be greatly useful in turning many of the struggling ones of

earth to ways of competence, happiness, and peace. It may, we believe, be studied in all its parts to eminent advantage. The topic is thoroughly practical: its handling, we trust, will be found equally so. In the words of the Rev. Dr. Jonathan F. Stearns, "There are theoretic truths applicable to business; there are principles, there are fixed and general laws, determining its aims and regulating its processes, just as truly as in matters usually denominated scientific. The man who is capable of reflection, of induction and deduction, who has facts wisely gathered in his possession and can see their bearings and relations, who understands general principles and is able to apply them in all exigencies, must have an immense advantage, even in the common matters of gain and loss, over the man of blind processes and stereotyped maxims."



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HOW TO MAKE MONEY.

The only true secret of assisting the poor is to make them agents in bettering their own condition.

ARCHBISHOP SUMNER.

*Abundance is a blessing to the wise;
The use of riches in discretion lies.
Learn this, ye men of wealth—a heavy purse
In a fool's pocket is a heavy curse.*

CUMBERLAND.

The best source of well-being or wealth is Economy. It is the daughter of Prudence, the sister of Temperance, and the mother of Liberty.

DR. JOHNSON.

No strong man, in good health, can be neglected, if he be true to himself. For the benefit of the young, I wish we had a correct account of the number of persons who fail of success, in a thousand who resolutely strive to do well. I do not think it exceeds one per cent.

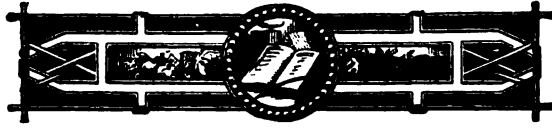
EBENEZER ELIOT.

Of what a hideous progeny is Debt the father! What lies, what meanness, what invasions on self-respect, what cares, what double-dealing! How in due season it will carve the frank, open face into wrinkles; how like a knife it will stab the honest heart!

DOUGLASS JERBOLD.

Wealth, power, and influence are not for self-indulgence merely; and just according to their extent are the obligations to others which they impose. If by the rule of increase to him that hath is given, so in the same degree new duties are superadded, nor can any man escape from their behests. If the merchant be in reality our feudal lord, he must render feudal service. If he be our modern knight, he must do knightly deeds. If he be the baron of our day, let him maintain baronial charity to the humble—aye, and baronial courage against tyrannical wrong, in whatsoever form it may assume. But even if I err in attributing to him this peculiar position, I do not err in attributing to him their duties; for his influence is surely great, and he is at least a man bound by his simple manhood to regard nothing human as foreign to his heart.

CHARLES SUMNER.



HOW TO MAKE MONEY.

INTRODUCTION.

It is perfectly indifferent within what circle an honest man acts, provided he do but know how to understand and completely fill out that circle.

An honest and vigorous will, could make itself a path, and employ its activity to advantage, under every form of society.

GOETHE.



READER, if you have a dollar, or desire to work for one, you have an interest in the contents of this book. You have looked at the title and glanced at the table of contents. They awake your expectation, if they do not please your fancy; and you say to yourself, "will this, can this, really teach me how to make money? Will it instruct me how to keep my money when made, and how to make it in its turn productive?" If its directions and rules are followed, it will. It will even show you with such plainness that he who runs may read, how to make money earn money. But remember that every one,

though the most practical of men, knows more than he uses to advantage. However carefully you may read, you may not apply the principles here laid down, or heed the examples given: if so, you may get curious information, but will not receive all we, or you, desire from the reading.

Wealth is the want and wish of nearly every person whose subsistence is not dependent upon the exertions or fortune of others, or who, being dependent, is anxious not to remain so. It is seen to be the means, not only of supplying the imperative needs of human nature, but of adding innumerable gratifications to almost every faculty, appetite, passion, or taste of humanity. It buys dress and jewels, equipage, fine houses and grounds. It searches sea and land, near and far, for delicacies to load the table. It fills the library with books, the walls and portfolios with pictures, the halls and parlors with statuary. It gives ability for large subscriptions to religious, charitable, and philanthropic purposes, to found churches, schools, asylums, and hospitals. Most of all, perhaps, in the average view, it commands a respect, an influence, a power among his fellows, which the person possessing it might without it never hope to attain.

"Some people have an idolatrous love of money. The Israelites had their golden calf; the Greeks had their golden Jupiter. Old Bounderby valued the man who was worth 'a hundred thousand pound.'

Others do the same. The lowest human nature loves money, possessions, value. 'What is he worth?' 'What is his income?' are the usual questions. If you say, 'There is a thoroughly good, benevolent, virtuous man,' nobody will notice him. But if you say, 'There is a man worth a million of money,' he will be stared at till out of sight. A crowd of people used to collect at Hyde Park Corner to see a rich man pass. 'Here comes old Crockie!' and the crowd would separate to allow him to pass, amidst whispers of admiration. It was old Crockford, who made a large fortune by keeping a gambling house." *

There is no doubt that wealth, in the eye of the world, sometimes of the tribunals of justice and the halls of legislation—aye, even of those great educators of humanity, the pulpit and the press—covers a multitude of sins. The rich offender too often goes scot-free, while the poor devil takes his reproof, his scorn and neglect, or his conviction and sentence, whatever his misdeed may bring, quite as a matter of course, and without any redress for injustice, if such there be.

"Plate sin with gold,
And the strong lance of justice hurtless breaks.
Arm it in rags, a pigmy's straw doth pierce it."

And, as the same great poet of humanity puts it,

"The learned pate
Ducks to the golden fool."

All this is not to be named in praise of wealth;

* Samuel Smiles, "Thrift."

but that it is among the most conspicuous results of riches, among the most inspiring motives to its pursuit, in the mind of many eager delvers for gold, is not to be denied, and so must fairly be taken into the account.

On the other hand poverty, hard, grinding, biting poverty, is almost universally recognized as one of the greatest, meanest ills of humankind. Those who have written in praise of indigence have usually themselves been possessed of abundance, like Seneca, the Roman moralist, writing upon a golden table of the pleasures of poverty; and it may well be doubted whether any one, however apparently contented with his lot or happy-go-lucky in his disposition, has declaimed sincerely against riches and in behalf of the empty pocket. As the great Dr. Johnson wisely suggests,—

“Poverty takes away so many means of doing good, and produces so much inability to resist evil, both natural and moral, that it is by all virtuous means to be avoided. Resolve, then, not to be poor: whatever you have, spend less. Frugality is not only the basis of quiet, but of beneficence. No man can help others who wants help himself: we must have enough before we have to spare. . . . Poverty is a great enemy to human happiness. It certainly destroys liberty, and it makes some virtues impracticable, and others extremely difficult. . . . All to whom want is terrible, upon whatever principle, ought to

think themselves obliged to learn the sage maxims of our parsimonious ancestors, and attain the salutary arts of contracting expense; for without economy none can be rich, and with it few can be poor."

Especially is poverty terrible when it comes, as it often does, after experience of wealth. If every man in business, and every woman who holds the purse-strings for home expenditure, could early in life be brought by reading or personal knowledge to understand the horrors of want after affluence, as usually consequent upon failure, what a revolution would be wrought in the business and domestic world! The dollar that would or should do its part in preventing such a catastrophe would not be squandered in trifles or superfluities until at least it could be done without danger, until continued labors and accumulated savings had made the dreaded result next to impossible.

Let the small philosophers say what they will, it is money almost alone that improves the position of the struggling aspirant in the world's general regards; and if one possesses this, and in addition the qualities of the educated and refined, the energetic and nobly ambitious, nearly every goal in the race of life may be his. Let all remember that the dollar in hand can be so invested as to make one round in the ladder of position and influence, as it can otherwise be foolishly spent and help to leave us just where we do not want to be, at the foot of the ladder and in abject poverty.

The chief trouble is that people will not think, will not pause to consider and adopt a course of action, to ascertain their precise condition and know just what they are about. On the contrary they heedlessly push on in a hazy, indefinite cloud of desire and hope, vaguely expecting that Dame Fortune is bound in some way to see them through. But Dame Fortune, be it understood, is ourselves; and the sooner we find it out, the sooner we shall realize our independence or our fortune.

To get money is, with rare exceptions, the prime object of the whole work-a-day world. It is sometimes amusing, sometimes painful, to hear thoughtless persons condemn the toiler who is striving with might and main, early and late, to achieve an early competence, if not independence. They may even go further, and say that money — perhaps they will sneeringly call it “filthy lucre” — is not worth the having. But, as we have before suggested, such people are not honest with themselves. In general, if they had either the opportunity or the ability to make money, they would be the first to embrace the one or improve the other.

Money-making, indeed, is a duty, a personal, domestic, even political duty. How are our own health and culture to be properly provided for, our families sustained in comfort and happiness, our children brought up, clothed, and fed, the aged nourished, the cripple and weakling aided, helpless widows and

orphans cared for, school-houses and churches built and equipped, higher institutions of learning endowed and maintained, and the Government supported, unless somebody is making money, and a good deal of it too? If the money-maker has the "disgrace" of doing all this, may such disgrace be our cheerful lot, and similarly the lot of all whom we desire to instruct in money-getting and money-saving for such purposes, and for many others equally worthy.

"Were the questions asked, What is at this moment the strongest power in operation for controlling, regulating, and inciting the actions of men? what has most at its disposal the condition and destinies of the world? we must answer at once, It is BUSINESS, in its various ranks and departments; of which commerce, foreign and domestic, is the most appropriate representation. In all prosperous and advancing communities, advancing in arts, knowledge, literature, and social refinement, Business is King. Other influences in society may be equally indispensable, and some may think far more dignified; but BUSINESS is KING. The statesman and the scholar, the nobleman and the prince, equally with the manufacturer, the mechanic, and the laborer, pursue their several objects only by leave granted, and means furnished, by this potentate." *

One other quotation, from a thoughtful writer in

*Rev. Jonathan F. Stearns, D. D.

Hunt's Merchant's Magazine, may fitly follow this, and serve as an ample justification for a book like that we purpose.

"Success in business is usually the result of intelligent and well-directed efforts. Many of the failures in mercantile life, as well as in other pursuits, arise from a want of proper knowledge of the principles upon which success is based. The uncertainty of mercantile business has become a proverb; and from estimates made and publicly proclaimed on various occasions, the proportion of those engaged in that employment who have been evidently successful, has been extremely small.

"But is this a necessary result? The writer thinks not. Men who have been successful, and who have been successful as a consequence of their practical knowledge and their prudent management, know to the contrary. And yet failure follows failure. Why is it thus? Need we continue in the dark upon this subject? Are there not minds engaged in the pursuit of business competent to enlighten us, and whose feelings would prompt them to the task if their attention was suitably turned to it? It is a subject of grave importance, and the remedy, as far as possible, should be provided; as, for want of it, the integrity of worthy men is constantly placed in jeopardy, and when laid waste, destruction of character and happiness is the usual consequence. This frequently occurs with persons who desire to do right, but for want of

a proper knowledge of the landmarks, get into a false position, and thereby involve themselves and others without intending it. . . .

“Why may not the profession of the merchant be reduced to a science? There are principles that lie at its foundation, which are as true as those applicable to any other pursuit; and it needs but their development and arrangement to enable those engaged in its duties to be equally successful.”

And yet, notwithstanding the commanding importance of wealth, the royal eminence of business in the affairs of the world, and the really scientific character of the systems by which it is conducted, there is scarcely another subject in the whole range of life or literature that has received so little attention from the writers as this. Multitudes of books have been penned to set out in attractive colors all the phases of extravagance, profligacy, and vice, and consequent ruin; while scarcely any have been issued to urge men to save instead of squandering their substance and to show them how to do it. Education, of all methods and in all branches, from A B C to metaphysics, from elementary science to spiritualism and mysticism, is manifest through the land in tall structures of secular and religious instruction, towering above nearly every acre in our cities and every town in our country; yet hardly a word, comparatively, is spoken to the youth or the middle-aged, to teach them systematically how

to get and how to save, how to use their knowledge and direct their labor to the best advantage. The teacher will toil with his pupil for days, perchance for weeks, to explain and clear up the intricacies of a mathematical problem which may calculate wealth when made, and to indicate by great labor where he will make his own error when he tries it unaided; but not a lisp will he utter, very likely, to warn him where the leak will probably be in his finances—a leak which, if not guarded or stopped, may consign him early to poverty, and later to the poor-house.

“The way to wealth,” said the wise and prudent Franklin a long time ago, “if you desire it, is as plain as the road to market.” Pray, then, if there can be a single ray of light shed by any one upon this road, however feeble that ray, to make the young or the old economical, saving, provident, in Heaven’s name let it shine! If one incentive can be urged by earnest or eloquent speech, or by attractive or bewitching pictures of the future, to nail down the well-earned dollar in safety for the hour of need, let the words be spoken and the pictures be hung forever in the chambers of the soul. If anything can be done for the tried and tempted, to arrest profligacy and throttle vice, let no man complain, even at the risk of not fully educating to generosity and manliness one here and there who may become mean, or even miserly, in his pursuit of wealth. If any book can be written which will show any class of our people how to be more prosperous,

how to increase their means, how to avoid losses and prevent reverses of fortune, how to live better and happier, how to be independent of charities, and finally how to become better citizens, better heads of families, and better members of society, by all means let that book be printed and sown broadcast by hundreds of thousands throughout the land.

This volume will probably be met by the more unthinking of the press, and by carping private critics, as are most works of its class, with the accusation that it tends to degrade the immortal soul to mere money-making, to make youth mean and age miserly. To this charge there is one conclusive answer, which may be made indirectly, but effectively. You must not educate the physician, lest he administer poison with his remedies. You must not train the orator, for fear of bronchitis or an overstrain of the lungs. You must not instruct in religion, because the instructed may become a bigot. In truth, you must not educate at all, in view of the danger that your pupil may in some way carry his knowledge and training to extremes. But mean or miserly people are invariably those who have not been fitly educated or brought up in the light of right knowledge, and who have learned just enough of money not to know its true uses.

Let the complaining critic choose between two states of fear—one that his son or daughter may be mean with money, the other that he or she may be mean without money, poverty-stricken, destitute, pos-

sibly dependent on the charity and living on the earnings of another. This ought to test the reason and the soundness—rather the absence of them—of murmurings against a treatise which has for its high aim the education of both the young and the old in the arts of money-getting and money-saving. Let the results of life go to the extreme on both sides—that our dear ones are to be absolutely mean and miserly, but in possession of a competency, or that they are to be still mean and also in poverty, resting hopelessly upon private aid or subjected to the cold charities of the public poor authorities: which, nevertheless, do you choose? If you are truly honest, it is not difficult to frame an answer for any worthy parent or friend.

Therefore let no narrow-minded philosophy or groundless fear meet our book in the way, and cry, “Hold!” Let no captious lips say, “You will make misers of our children.” But let the same lips read the lesson, not of one thing only, the way to make, but the better lesson of the way to save money also, the very lesson which every parent wishes early to be put in practice upon his hopeful child. It is a false philosophy which affects to despise money-making, and no truer a teaching which condemns in unmeasured terms the use of riches to increase riches.

“Because its blessings are abused,
Must gold be censured, cursed, accused?
E’en virtue’s self by knaves is made
A cloak to carry on the trade.”

GAY.




CHAPTER I.

SOURCES OF WEALTH.

“Any one who discovers a new source of gain, without detriment to the community, deserves a mark of honor, for public spirit will then never be extinguished.”

XENOPHON.

 IN this country, the fountains of wealth are accessible to all. Comparatively few avail themselves of the opportunity presented to accumulate a fortune, while there are few indeed, able in body and sound in mind, who can not make themselves independent of charity and by and by of labor, if not achieve what may be called a fortune. So far as history, sacred or profane, leads us back among the toiling masses of mankind, the struggle for property stands as a beacon-light above all other effort. Within these labyrinths, at every point of view taken by the historian, the ever-abiding desire for gain shows itself in almost every motive and nerves to action almost every toiler's hand. The struggle springs from necessities native to man, implanted in his very existence; and however high or lowly born the man may be in the scale of life, his nature demands sustenance, and whether he

labor for it or not, by some one the necessity must be met and the ground tilled for his sake.

Labor, then, is the living spring of wealth, from whose depths flow the streams of necessity and luxury, of sufficiency, abundance, or superfluity. As the Maker of all things has created one drop of water like another, so by nature is one laborer in his world like another. Each may occupy a different position in human life, now up, now down, changing place at every moment, yet fulfilling laws which oft confound the deepest philosophy. To-day may see one basking in the brilliant sunshine of a Syrian sky: to-morrow may behold him sunk in deep, dark, dank recesses where the smiles of plenty, still less the cheering radiance of luxury, may never reach. One hour may witness the bubble of circumstance bear him quickly from the gloom beneath to the sparkle and glitter above: the next the bubble has burst, and memory alone can tell his story of poverty and distress.

Why one globule of the sea reflects the warm glow of the sun upon its surface, and another, otherwise just like it, must rest far below, with the weight of countless tons of its fellows pressing upon it; or why one drop in the vast ocean of humanity is borne serenely with the current, rejoicing in the pleasures of life, with every want supplied, and another must agonize beneath the scorching sun, overtaken with his own labors and bearing besides the burdens of others, is beyond the ken of the scientist or the logic

of the political economist to explain. No solution can be given for the problem of such relations, other than can be found in what seems to be an axiom of nature, that because an ocean must be made up of globules of water, some are therefore below and perform a heavier duty than those which by the same necessity must be above, or that because a community must be made up of individuals, some must necessarily occupy superior and others inferior positions.

This necessity does not grow out of the normal condition of man; for that is agriculture, limited, too, to the supply of the bare necessities of life, and that agriculture performed with the rudest implements fashioned by the laborers themselves. Such labor, it may easily be seen, furnishes the foundation of all values. Its institution caused the necessity for tools to carry it on to advantage, and for these materials in wood and metals were required, which opened new avenues of want, till the great and diversified machinery of human labor has been set in motion in all its varieties. It will be unnecessary to follow up the dependence of one branch of industry upon another, or their relative importance to the whole. Sufficient for the purposes now in hand is a glance at the whole, to show that from any or all money can be made by individuals, by labor in or around this multiplicity of elementary occupations.

Here may be a fitting place to inquire by what

tenure you hold the dollar or other property you have, or by what warrant you get that which is your due. Nine-tenths of mankind, possibly a larger share, never have given attention to these inquiries. Why is not your property mine as well? Simply and solely because we have a government or social compact; and one of the laws of that government is that what belongs to you is your own, and not some other person's. This is the fundamental law, the necessary, unavoidable practice of all people. Then comes the direct question to every one, Are you interested in holding what is your own? The reply is inevitable: I am. Then you are immediately interested in preserving the government and observing the laws which alone can secure you in these rights, and also in maintaining the rights of others in like manner. For you can not expect to be maintained in your own rights unless you extend to others like protection.

The moment, then, one knows that what he has or can get depends upon equal laws and equal justice to all, and that the titles to property rest solely upon the law, such person has made one step forward on the long road, not only in making money, but in keeping the title to it when made. Every business man, then, while he need by no means be himself a professional politician, may well watch the politicians in the influence of their proceedings upon the laws of the land.

As a mere safeguard of money-making and money-saving, a steady, just government, with laws punctually

observed by all, even if no higher motive existed, is the first great idea. The reverse may always be looked for in the actions of those who have nothing to lose and everything to gain. If, then, you wish to be well grounded in the principles of money-making and saving, fix carefully your position as a citizen, and canvass faithfully every effect of your political action. Know especially what principles, as well as men, you are advocating by your vote, and whether they will tend to steady or to disturb the monetary affairs of the country, and whether they are for the good of the whole. You have a right to look to your dollars, to your securities, and your lives.

That every reader may understand how important government and laws are in conserving the sources of wealth, it will only be necessary to note the process by which individual property rights are maintained in this country. Suppose, for example, that a property right is invaded, what is the course of the injured party to obtain redress? He applies to the legal tribunals to adjudicate the case; and upon a hearing it is decided favorably, if you please. The next step, if the judgment is not satisfied within reasonable time by the act of the delinquent, is to place in the hands of an officer the order of the court. He proceeds to collect the amount; and if the execution is peaceably enforced, well; if not, and violence is resorted to, to stay or defeat the execution, and the sheriff is unable to overcome it single-handed, he calls out his *posse*

comitatus, or "power of the county"—that is, a number of citizens sufficient to aid him in securing the rights of the injured party. If this be not sufficient, he calls upon the Governor of the State to send a force of the local militia to his aid. If these are not yet sufficient, the Governor may call upon the President of the United States for Federal troops; and finally, if these are still powerless to command respect and obedience to the decision of the law, the President makes requisition upon the Governors of the several States until force enough is obtained, it may be millions of men, to maintain the rights of this one citizen. If the Government succeeds, the Government stands; if it fails, another will be established upon its ruins. But the individual aggrieved would lose his rights, whatever they might be. This shows the magnitude of his right, the importance to all concerned that it should be respected by legislators and all good citizens without such appeal, and that such appeal may result in the total destruction of the right and the Government also, besides an untold loss of life and property to a large class not in any way at fault in the matter.

But, the reader may say, we knew all this before; and what insight does this give towards making money? In order to make money, one needs first to be told where it can be had, and by what means, and after that the best mode of getting the most of it by

individual exertion. And now it may be asked, If you want a lawyer to manage an important case, do you employ a pettifogger? If you are dangerously sick, do you send for a physician whom you know to be a quack? If you want a capable servant, do you hire a greenhorn? If you need a competent and trusty clerk, do you engage one totally destitute of these qualities? If you want a good thing of any kind, do you think it of no consequence whether you employ an honest or a dishonest man to get it for you? If a safe job of carpentry is to be done, do you contract with a botch? If a solid pile of masonry is to go up, do you invite a hod carrier to do it? Not by any means. No matter what may be the experience of the reader in such affairs, he will answer all these questions in the negative, and sum up the whole by saying, If I want a thing done, I must get the best operative I can for the least money he will take.

Yet it is well to bear in mind that the cheapest is sometimes, and indeed is most generally, the dearest. But little reflection is necessary to enable one to see that the most valuable services always bring the most money; and in this principle lies the hidden recess from which flows the secret stream of independence or fortune. This must not be forgotten, passed by, or neglected by any one who desires to make the most money from his labor or services, no matter what they be. A striking example of the profit and loss from this source will be given in our chapter relating to the

Workingman. The principles of action which, intentionally or not, determine such cases, may be considered to be these :

1. General deportment, consisting mainly of pleasant, agreeable, attractive manners.

2. The exhibition of an interest in and zeal for the concerns of his employer, by which an interest is created in the mind of the employer for him.

3. Economy in time and material, by which the employer makes money over the ordinary workman, and which all men are likely to remember and reciprocate at the first opportunity.

There is another advantage to be derived from such a course of conduct, even though it do not lead to so large a result as the one cited. It is sure to gain for the worker the highest rate of wages under any circumstances; and we will illustrate it on a very limited scale.

Two female domestics were engaged in the same house at the same wages, seven dollars per month. One was careful, attentive, kind, obliging, pleasant. She did everything to please, to save, and to take care of the interests of the household. In other words, she made herself an agreeable and useful servant; while the other did only what she was told, and took about as much interest in her employer's affairs as servants generally do who think their whole duty is to do just so much, and get their money for doing as little as possible. It happened that the family deter-

mined to discharge one of the two servants, not wishing to keep both. Reader, can you divine which of the two was discharged? Certainly, the one was discharged who was the least useful.

And now we will just look at the accounts of these two servants for a single year, and see how they stood at the end of it. The one that remained did the work of both, and had her wages raised to ten dollars; the one that left was out of employment three months, and finally was compelled to take a place at six dollars per month. The first received for her year's work \$120; the second received \$54. The necessary expenses of the first for dress, etc., were \$40, leaving \$80 clear gain; the second paid three months' board at \$9 per month, and the balance of all she received for clothing and other necessities. So that while they were working together they received the same money; but from the way in which each was valuable or agreeable to her employers, during the time of the next year one received \$80 more than the other in cash profit, and got \$13 more in clothing and necessities.

Each of the girls was twenty years old at the end of the year when they worked separately. Let us see to what this \$80 will accumulate, if put in a savings institution and improved with compound interest at six per cent, when she arrives at fifty years of age. By consulting tables it will be found that it will amount to \$469.40, as being the difference resulting from the action of two servant girls in the same house.

receiving only \$7 a month. Had she accumulated the same sum of \$80 every year until she was fifty years old, saving only twenty-five cents a day for 318 working days of the year, she would then have been in possession of a total sum of \$6,329.47.

The two cases cited are from the lower kinds or classes of labor; but now, for illustration of the higher or better-paid class, let us take the case of a pair of clerks in a wholesale dry-goods store. Both were salesmen and received each a salary of \$1,500 a year. The one did all that is generally required of salesmen, was regular in his habits, registered and made his sales just as he should do, in the routine way. No objection could be found to his methods of doing the business; and his employers were satisfied with him, since he was fairly worth to them the amount of his salary. But he was not interested in the prosperity of his employers, looked to nothing further than his own department, made no special effort to get custom for the house, and did not keep an eye out constantly to the general run of the business. The other, on the contrary, was busy late and early, had always something still to do when all others had left, and was regularly found in the store among the first in the morning. He was forever reaching out in all directions to gain trade and capture new customers, and kept his attention on everything that occurred in the business; was never prying, but always aiding any one when he could, and keeping everything in order as far as pos-

sible without interference with the affairs of others; and made himself, by his agreeable and pleasant manners, popular with customers and with all who were engaged in the house. By such a course he was felt from cellar to garret.

Which of these two young men, for they were both but twenty-three years of age, earned during the year the most money? We shall see. A neighboring house having lost its principal salesman by death, and knowing by costly experience the loss of valuable customers enticed away by this active, winning salesman, at once offered him \$2,500 a year if he would leave his old place and accept a new engagement. So good an offer was of course not to be passed unnoticed. He accordingly broached the subject to the members of the firm by which he was employed, and inquired if they had any objections to his accepting the offer. They replied, "We will consider the matter, and let you know in a day or two."

The prospect of losing their efficient clerk led them to examine the accounts of sales made by the young man, when it was found that he had really brought a large amount of business to the house, and that from all he had sold no bad debts had come. They reached at once the conclusion that he was worth more to them than they had been paying him, and was worth, indeed, as much as the other parties were offering him. They therefore said, "We will make your salary with us \$2,500;" and so he remained

with them, and exerted himself even more strenuously in their behalf.

Now compare the financial condition of the two salesmen. The one spent all his salary, for he had more time on his hands about town, and less to interest him than the other; while his associate took lodgings near the store, seldom went anywhere that involved expense, and read most of his time when he was not calculating and figuring on his business. The result was that he spent \$500, and saved \$1,000 of his salary. The next year, when he received \$2,500, he spent only the same amount as before, while the other still spent all he received.

A calculation on even these low figures, made for only two years, shows that at the end of that time, which found the indifferent young man nothing ahead, his fellow-clerk had saved \$3,000, and was as yet but twenty-five years old. This sum, put at compound interest at seven per cent for twenty-five years, would amount, as is shown by the tables further along in this book, to \$16,290. If he continued to do the same thing yearly, save \$2,000 until he was fifty years of age, it would yield him in the total \$131,952, an ample fortune on comparatively small earnings, and accumulated while he was still in the prime of life.

From these examples, which are merely illustrative, and can be fitted to almost any conceivable case, after an examination and study of the tables it will be seen where lie the fountains of wealth, and how ac-

cess to them is to be had. The necessary qualifications are made apparent for making the most money by increasing the value of the labor.

The general principles which result may be stated to be —

1. Be polite, agreeable, civil. Never fail to make every one with whom you come in contact interested in yourself and what you are doing.
2. Do what you have to do for another in such manner that he may feel you are working for his interest.
3. Do what you have to do in the best way possible, and endeavor to improve on every repetition.
4. Be honest, candid, dignified, and social. This inspires confidence and increases character, reputation, and influence.

Such are a few of the items necessary to success in attaining the sources of wealth. To observe them is a sure means of making money : to neglect them is an equally sure way of losing the opportunity to do so, and must inevitably result in loss and failure.





CHAPTER II.

FORTUNE, INDEPENDENCE, AND COMPETENCE.

To catch Dame Fortune's golden smile
Assiduous wait upon her,
And gather gear by every wile
That 's justify'd by Honor;
Not for to hide it in a hedge,
Nor for a train attendant;
But for the glorious privilege
Of being independent.

BURNS.

Let your first efforts be, not for wealth, but independence. Whatever be your talents, whatever your prospects, never be tempted to speculate away, on the chance of a palace, what you may need as a provision against the workhouse.

BULWER.

Reason's whole pleasure, all the joys of sense,
Lie in three words,—health, peace, and competence.

POPE.



THE answer to the question, What is a fortune? has never been, and probably never will be, satisfactorily made. What may be a fortune for one bears but small proportion to the colossal possessions of another. The scores or hundreds of thousands admired and envied as a fortune in most of our communities look pitifully small beside the two hundred and fifty mil-

lions of Vanderbilt. What is a comparative fortune for a laboring man, accustomed to the society of his peers, and only spending what that grade of life requires, does not compel the use of as much money to fill his necessities, or even his desires, as for the merchant of liberal education, of extended acquaintance among the refined and cultivated, demanding expenditures commensurate with such a walk in life. The two persons are on entirely distinct bases of necessary wants, live in two distinct worlds, and are laboring in differently extended spheres. A similar remark is true of every grade or degree in life; nor is there an exception, from the scullion to the king. This is the machinery of society; and right or wrong, so we find it, and so we must treat it.

The fortune is only to be measured by that condition where the possessor is satisfied with the supply of a given number and description of wants. Should the man be content with the things that the interest of five thousand dollars would command, then that sum is his independence, and his fortune as well. But if his independence of charity requires just this sum, and he is unhappy because he has not the means of gratifying other and more expensive desires, he might keep out of the poor-house or swing clear of public or private charity, but he would not possess a fortune. An independence may be measurably fixed in amount, but a fortune is the child of the rich man's imagination. It may be rated much or little,

comparatively, in proportion to the satisfaction of his desires.

Each grade of business has generally its relative share of income and relative proportion of expenses — not altogether from the necessities attaching to the business itself, but from the supposed necessities attaching to the position and wants of the persons conducting it. Generally, then, what is a fortune in one business is but a small fraction of one in another. The question, then, is with every person to decide to what rank in life he will aspire, in order that he may settle the amount of the fortune he will aim to win in his business. Few may be able to make a mark and abide closely by it; but individual imperfections do not affect a sound principle.

The closest definition that can be given to this indefinable term fortune is that it is the halo of a mysterious sum which ever recedes, increasing as we approach. Few have expressed themselves fully satisfied with the means they have acquired, however large their property or ample others may consider their fortune.

It is a quite universal ambition to acquire a fortune by those who have intelligence to understand or experience to know the pleasures supposed to be guaranteed by its possession. Peculiar qualities of the human mind are brought into action in the pursuit and possession of wealth; and it brings to men various satisfactions. The mere acquisition of money is to some a substantial, realized pleasure; while to others



"WHY DO I DRESS MYSELF
IN BORROWED PLUMES?"

its simple possession gives in like manner heartfelt gratification. Again, there are those who take no especial pleasure in the acquisition, but find their chief joy in the hope and anticipation of the good things they will derive in the possession or the spending of it; while there are still others who gain to enjoy the gains, and do enjoy them by liberal expenditure in the higher and nobler deeds of the generous man of fortune and luxurious ease.

But the larger class of those who make, or desire to make, a fortune have only one idea concerning it; and that is to be able to make all the external appearance and show of a man of means. Display is their great object, and they endeavor too often to put on the appearances of wealth, and expend freely what they may not really own. Shakspeare's question, changed to this, —

“Why do I dress myself
In borrowed plumes?”

might be asked by hundreds of thousands of jackdaw imitators and would-be fashionables, if they were as honest in their confessions as they are bold in their pretenses. It is a pitiful sort of hypocrisy and pride, and generally results in utter financial and social disaster. “Pride must have a fall,” saith the old proverb. The result is that all the earnings — or it may be inheritance — that would if saved in time make a handsome fortune, are squandered in the gratification of “the lust of the eye and the pride of life,” in an at-

tempt to make the displays and win the positions due only to him who has accomplished a worthy object and achieved a fortune. Nor do such pretenders, in general, gain anything but the merited contempt of their creditors and of all sensible people. With rare exceptions they fail in the end and sink finally into poverty and obscurity.

It accordingly becomes a serious question for one maturely to consider, while on the road to fortune, whether he will spend his own or the substance of others, whether he will live as his means warrant, or assume to be what he really is not? The world in general is not deceived by such appearances, though it may be in special cases. What real pleasure can there be in living at an altitude where there is no foundation to support one, and fear of a downfall is ever haunting the imagination? People in this situation vainly imagine that their real deficiencies and faults do not appear, like the ostrich, which hides his head in the sand or a bush, and conceives that his huge, ungainly form is similarly obscured. Respectability, bear in mind, does not depend on false tokens. Quite the contrary. Still, many seem to be satisfied to live that sort of life, as the counterfeiter is with his occupation so long as he is not detected in his false coinages.

All persons owe it to themselves and those dependent upon them to save of their means for accident or

misfortune. It is a high moral and political duty to make themselves and their dependants independent of public or private charity; for if they do not, they spend that which does not actually belong to them. To make one's self independent should be the first great aim of life, looking earthward at least. Then what is an INDEPENDENCE? The answer to this question is plain: it is such an amount of money, safely invested, as will produce an income equal to the necessities of life,—in other words, to enable one to live without labor. If a man could always be assured of ability to save even something, or enough to keep him from becoming a charge upon either public or private charity, there would be no need of an independence. But, as all know, such freedom from uncertainty or anxiety in regard to one's financial condition can hardly be guaranteed to any man or woman.

While a fortune, then, is an indefinite and indefinable amount, an independence is a fixed, relative sum, dependent upon the price of necessities and upon the country in which it is required. In some latitudes,—as in the South Seas, for example,—the amount absolutely necessary to maintenance is very small, while in others it may represent a large sum. It may be assumed that, upon an average the world over, the interest of five thousand dollars invested at six per cent will furnish a subsistence. If, then, a man's desires and needs do not reach beyond this, he

has an independence, and in some sense a fortune. But as a general rule, even when this income is accumulated, or a much greater, according to the owner's view of what constitutes an independence, the ever-present greed of gain will spur on its possessor to further accumulation. Yet if he have others dependent upon him for maintenance, since they can not earn for themselves, he must earn as many independencies as there are dependants to support.

Few able-bodied persons, of sound mind and body, and reasonably free from sickness or from spendthrifts in their family, can not in this country achieve an independence of labor. For all that the worker bent on this has to do is to lay aside, from what he receives, all that is not imperatively required for the necessities of life; and by inspecting the tables near the end of this book he will find that quite small earnings and savings every day will soon mount to this standard, and then go beyond it. Parsimony or meanness is by no means recommended; but either, on the contrary, will prevent one's making the most money that his opportunities allow. A just and proper economy is on the true line; and any one of common sense can determine this line for himself.

No person feels so happy as when he is pursuing a legitimate business, is out of debt, and has some money at interest. From that moment he lives in a new world, is more respected, has more substantial friends, and wields a greater influence among his fel-

lows. Not only that, but his independence of circumstances makes his services in any department of life more valuable; he commands more money for them, and so can accumulate faster. But let him be behind-hand, or in debt, or forever on the anxious seat with calculations how he shall make ends meet in the support of himself and family, or in trouble of any kind that costs him his peace of mind and full ability to protect himself, and he is in the power of any one who has transactions with him. He becomes a suppliant for everything, almost for the right to live; and he can not, from the nature of things, get as much for what he gives as though the reverse were the fact.

An independence, then, should be the first thing aimed at, by either man or woman employed in money-making; and every nerve and sinew should be strained, and every expenditure scrutinized, till this end shall have been attained. Self-denial must be exercised in all things. Remember always that such a course is not only reputable and truly respectable, but will make you more friends in the end, and give you more happiness during all your business and social life. In case of success you become your own master, you are never mortgaged to another, you can proclaim that "your soul is your own," as the old phrase goes.

But an independence, though it may free you from further labor expressly to make money by labor, does not free you of it altogether. The small mercantile

or purchasing business necessary to be done to procure your supplies, and provide for the home comforts, is still to be transacted. If that be to disburse three hundred dollars per annum, so much, then, is the volume of your mercantile transactions; and so of any other amount that may be named. Every dollar expended requires two persons to make the expenditure, the seller and the purchaser. The man of fortune, who spends his three thousand dollars yearly, has in this way ten times as much labor to perform as he who lays out but his three hundred dollars; and the millionaire who spends thirty thousand dollars incurs the liability to one hundred times as much labor as his fellow-man who uses but three hundred;—provided always that in such cases the rich man attends personally, and not by stewards or agents, to the making of his many purchases.

The meaning of the terms “competence” and “competency,” so often heard, especially the former, is not greatly different from that of “independence.” They are defined by one of the great dictionary-makers (Dr. Webster) as “property or means of subsistence sufficient to furnish the necessities and conveniences of life, without superfluity; sufficiency; such a quantity as is sufficient;” and by another of the authorities (Dr. Worcester) to be “such a quantity as is sufficient, without superfluity; sufficiency, especially of the means of living.” The same general principles,

explanations, and illustrations applicable to an independence, are equally applicable to the consideration of a competence.

As a conclusion of the whole matter, none who want money need hesitate to work wherever they can procure employment in any reputable business; and if they can take with them into their work ample knowledge and superior acquirements, their services will be more valuable, though not a whit more respectable, in the great scale of political economy. Bearing this steadily in mind, and seeking to profit by it, a good foundation will be laid for success in acquiring a competence, an independence, or a fortune.





CHAPTER III.

CAPITAL AND LABOR.

Love, therefore labor. If thou shouldst not want it for food, thou mayst for physic. It is wholesome to the body, and good for the mind; it prevents the fruit of idleness.

WILLIAM PENN.

If little labor, little are our gains,
Men's fortunes are according to our pains.

ANONYMOUS.

Gold! Gold! Gold! Gold!
Bright and yellow, hard and cold,
Molten, graven, hammered, and rolled;
Heavy to get, and light to hold;
Hoarded, bartered, bought, and sold,
Stolen, borrowed, squandered, doled;
Spurned by the young, but hugged by the old,
To the very verge of the churchyard mould;
Price of many a crime untold; —
Gold! Gold! Gold! Gold!
Good or bad a thousand-fold!

How widely its agencies vary, —
To save — to ruin — to curse — to bless —
As even its minted coins express,
Now stamped with the image of Good Queen Bess,
And now of a bloody Mary.

HOOD.



THE meaning of the term labor is undoubtedly pretty well understood by the vast majority of mankind; while there are few who have not had large experience of it as a practical matter. Every calling has its special kind of labor; and even the man of fortune is not

free from it, for in addition to the care of his expenditures he has also, in general, to look personally to his investments, to the collection of his income, and the like. So that all have labor of some kind to perform; and it may hence be concluded that labor is respectable, and none need be ashamed to labor who would not be ashamed to be seen spending a dollar. Only the purse-proud who have obtained money by the labor of others, and do not know the toilful processes by which wealth is secured, look down upon honest labor. The common laborer, honorably doing his day's work, stands higher in the scale of manhood and usefulness than they.

"O worker of the world! to whose young arm
The brute earth yields, and wrong, as to a charm;
Young seaman, soldier, student, toiler at the plough,
Or loom, or forge, or mine, a kingly growth art thou!
Where'er thou art, though earthy oft and coarse,
Thou bearest with thee hidden springs of force,
Creative power, the flower, the fruitful strife,
The germ, the potency of life."

THE ODE OF LIFE.

Hardly anything is held more contemptible, in the mind of an honest, hard-working man, than absolute, unproductive idleness. As one of the old English divines (Dr. Barrow) has remarked: "A noble heart will disdain to subsist, like a drone, upon others' labors; like a vermin, to filch its food out of the public granary, or like a shark, to prey upon the lesser fry; but it will rather outdo his private obligations to other men's care and toil, by considerable service

and beneficence to the public; for there is no calling of any sort, from the sceptre to the spade, the management whereof, with any good success, any credit, any satisfaction, doth not demand much work of the head, or of the hands, or of both."

Another of those sound old preachers, the eloquent Jeremy Taylor, has said with equal wisdom: "God provides the good things of the world to serve the needs of nature by the labors of the plowman, the skill and pains of the artisan, and the dangers and traffic of the merchant. . . . The idle person is like one that is dead, unconcerned in the changes and necessities of the world; and he only lives to spend his time and eat the fruits of the earth. Like a vermin or a wolf, when their time comes they die and perish, and in the meantime do no good."

Such are of the class to whom the witty Douglas Jerrold referred: "There are many idlers to whom a penny begged is sweeter than a shilling earned." But the man who can feel this sort of satisfaction must have the mean, groveling spirit of the willful pauper or the tramp. How much better the noble spirit of Carlyle: "Not what I have, but what I do, is my kingdom;" or of the poet Tennyson in his lines,—

" But well I know
That unto him that works, and feels he works,
This same New Year is ever at the door."

A writer whose name, at least in connection with the quotation, has unfortunately been lost, expresses

an important thought in this: "The prosperity of a people is proportionate to the number of hands and minds that are fully employed." And another in this: "Even in the meanest sorts of labor, the whole soul of a man is composed into a kind of real harmony the instant he sets himself at work." Says James Parton, perhaps the ablest biographer of our time, at the opening of one of his chapters on the "Life and Times of Benjamin Franklin":

"It does a good man good to prosper in his business. It expands, cheers, softens, frees, and humbles him. Inherited wealth is a doubtful good. To convert it into a blessing requires in the recipient uncommon virtue and good sense; it generally proves too much for the weakness of human nature, and prevents a man from becoming a serviceable citizen. But the moderate, gradual, and safe prosperity which results from the skillful, thoughtful, and diligent prosecution of a legitimate business or trade, is a vast or lasting benefit, and bestows upon its possessor the means of noble gratification."

No; detest the drone, honor toil.

"Eachew the idle vein,
Flee, flee from doing naught!
For never was there idle brain
But bred an idle thought."

And do not think that by waiting for some lucky chance or hit you can avoid labor. "It is not luck, but labor, that makes men. Luck, says an American

writer, is ever waiting for something to turn up: Labor, with keen eye and strong will, always turns up something. Luck lies in bed, and wishes the postman would bring him news of a legacy: Labor turns out at six, and with busy pen or ringing hammer lays the foundation of a competence. Luck whines: Labor whistles. Luck relies on chance: Labor on character. Luck slips downward to self-indulgence: Labor strides upward, and aspires to independence." *

It is an old and true saying that "there is no excellence without great labor." Prof. Mathews, the brilliant essayist, has shown how true this is in the fields of intellectual labor. "Let us," he says, "but search into and analyze the causes of that excellence which in its intensity has dazzled and confounded us,—let us but trace it through the various minor stages through which it has passed to its present summit of power,—and we shall find that to labor unceasing does it owe its splendor, and that under similar circumstances, with equal advantages of culture, equal incentives, and as firm a will, there are few persons who could not present the same result. Shelley, we may infer, hardly exaggerated when he said that the Almighty had given men arms long enough to reach the stars, if they would only put them out. If the young man will but exert himself to the utmost, say these writers, there is no height of greatness to which

* Samuel Smiles, "Thrift."

he may not soar. Ah! but how immense is that 'if'!" *

It should be a glad thing to labor: it is misery and decay to be idle. "Of what did your brother die?" asked the Marquis of Spinola of Sir Horace Vere. "He died, sir, of having nothing to do." "Alas!" returned the Marquis, "that is enough to kill any general of us all." As one of the English writers of our day has it: "The feeling that life is destitute of any motive or necessity for action must be of all others the most distressing and most insupportable to a human being."

"Ho, all who labor, all who strive!
Ye wield a lofty power;
Do with your might, do with your strength,
Fill every golden hour!
The glorious privilege *to do*
Is man's most noble dower;—
Oh, to your birthright and yourselves,
To your own souls be true,
A weary, wretched life is theirs
Who have no work to do."

That money, otherwise capital, is the representative of labor, is equally well known as what labor itself is, although it may not be consciously expressed in thought or speech. But the money-maker who expects to use labor as the means of procuring his capital, must be made aware that there are various kinds of labor, that the same kind varies in degree of excellence, that some kinds of labor command more money

* *Getting on in the World*, page 9.

for the same time than others, and that the better the quality of labor the higher price it will bring. A hod-carrier can not obtain the wages of a mason, although both work at the same general business ; nor can an apprentice or a poor mason command the pay of a skillful one, although they are all known by the common term "masons." It is apparent, without lengthy argument or illustration, that labor is valuable just in proportion to its quality, and that in this respect it does not vary from any article of merchandise, or of purchase and sale. As labor, too, is the only means by which value can be created, the rule of its quality extends from its simplest form to its most intricate. The man who handles the shovel can display skill over another who may have equal strength and as good a tool. One banker may in like manner use more skill than another banker having like opportunities with equal capital. One merchant, with small means and poor opportunity, may far outstrip another in making money, although the latter may have larger means and a far superior chance.

The difference in the quality of the same kind of labor is called **SKILL**, and is a controlling feature in fixing the value of labor. It is a general guarantee of success in life, or in the special business in which it is displayed. It elevates its possessor above his fellow-tradesmen or peers, and makes his labor always in demand. It is an advertisement in his business, and an indorsement of ability before the public. It applies

equally to all descriptions of labor, without exception, and is a controlling quality in the choice of a purchaser when known.

If you wish a mechanical job done, you employ the best man that your means will command, by which we mean the most skillful, the man who will take the least time in which to do it, and hence will cost the least money, if paid by the hour, day, week, or other division of time. If you wish a doctor or lawyer, and the case be worth the expense, and you are able to pay the fee he charges, you will secure the best one you know. If you wish to have a lot of goods purchased by a broker, a commission merchant, or other expert, you will engage him who is the most skillful in the market. If you have a draft to be collected in foreign parts, you will send it to the most reliable and safe banker. If you intend to have your property insured, you will get the most reputable underwriter, for he is supposed to represent the best companies.

There is, we believe, no exception to the rule that he who is most skillful most readily commands employment. Hence every one desirous to make money should understand fully what this skill is. When he well apprehends what it is, he should then be informed how to attain it. This is really the great lesson of life; and upon its being well or poorly learned depends the probable success or failure of the individual. It applies with equal force to the woman as it does to the man. The woman has within her

reach in like manner the power to make herself independent, and yet preserve the delicacy of her sex. Let no woman, then, shrink from the task of making herself similarly skillful in her vocation, whether it be in the gilded halls of fashion or the modest home, as the recipient of adulation or the operative in some humble sphere, or reaching the climax of feminine hopes as the matron and mother. Skill will tell in each and every department of a woman's as well as of a man's life; and the success of woman will measurably depend upon this cardinal principle of advancement.

Natural skill is the adaptation of natural tact to acquired knowledge. Natural tact is induced by the bent of the mind. Some minds are naturally mechanical, some calculative, others imaginative, ingenious, shrewd, or apparently neutral, displaying all qualities alike,—some evincing a predominance of faculties fitting them for a certain department of life, and some for another.

In the choice of employment it is needless to say that each candidate for success would do well to follow the native bent of his mind, that would give him tact in his business, which in its turn would tend to give him skill. It is true that skill may be obtained in any department of life by perseverance and industry, without the presence of any large measure of natural tact. It is therefore so much easier to accomplish, and the labor is generally performed so much

more agreeably and pleasantly, that every person should as far as practicable follow his natural bent of mind in the selection of a business. It is well to know this when he is free to choose; but many persons are thrown into employments accidentally, and in such cases their success may be aided by natural tact, and may not.

Skill, whether natural or acquired, is the grand condition of success in business of any kind: therefore get skill. There may be a partial or limited success, or even through circumstances a splendid success, by the greatest blunderer; but the exception does not detract from the value of the rule. It is not at all safe to rely upon exceptional cases. Those who look to them for a royal road to the Temple of Fortune will probably wear away their lives in penury and disappointment.

Skill is gained by knowledge, care, and practice or experience. A chapter will presently be given on the qualities of mind and character necessary to the person anxious to win a fortune, in order to make full explanation of such knowledge and experience as are required to that end, and what ends skill secures in various occupations. It is only necessary to make general reference to it here, to explain the meaning of skill, and show the value of various qualities of the same kind of labor. The more knowledge a worker has concerning his vocation, the more methods he knows of doing any one thing; and so he has the

inestimable power and ability to choose the best ways of working. But if he has never tried any mode, and is not aware that it has been tried by anybody else, he is wanting in both experience and knowledge, and is as likely to perform his labor at a disadvantage as he is to do it in the best and most skillful way. The desired knowledge may be obtained by reading the recorded experience of others, by conversing with persons of experience or listening to their lectures, or by personal contact with the facts involved, as in actual experience. Other things being equal, the greater the accumulation of practical knowledge the more skillful is the laborer as a general rule, no matter to what kind of labor he has devoted himself.

The money-seeker must understand, then, that to be skillful as his talents and opportunities will allow him to be, in any calling, no matter what it may be, is the primary and chief step towards the acquisition of wealth. To be satisfied simply with knowing how to practice his vocation, may give him means for a comfortable living; but if he aspires to more, he must by knowledge and skill increase the value of his labor, and then he will have no difficulty in finding a ready market for it. Or, as will be set forth more fully in a subsequent chapter, he must economize his earnings and deny himself everything except the bare necessities of life, until he has saved in this way what he fails to gain by skill in his business. For let it be recalled again that there is no man or woman, in

soundness of body and mind, and with no extra demands imperatively drawing upon his or her resources, and who has a steady employment, who can not in due time become independent of manual labor, that is, independent of the special labor of his calling.

Employment is simply all that is required, and that is to be had by having a capable knowledge of whatever line of business you undertake. Skill will show the way in which the labor is to be accomplished for profitable ends, as a general thing. True, misfortune may overtake the most skillful. But this should not check or totally prevent the effort to obtain skill and superiority in one's trade or profession. It should rather act as an incentive to prepare beforehand for such emergencies. This must show any one in search of money that labor is the only sure mode of obtaining it.

Now it must be shown how labor can be represented by money, otherwise capital. In all ages of the world, since civilization began to be, the necessity of a convenient medium of exchange has been evident, and has been met by various devices. Numerous traces of money are found in the Jewish and Christian Scriptures—at first precious metal by weight, then in coinage. The Latins made cattle a freely exchangeable medium, whence (*pecus*, *pecunia*) we have derived our word pecuniary. Iron coinage was ordained in Sparta in the days of Lycurgus;

and even glass and porcelain have been worked into coins for circulation. On the coast of Africa cowrie shells, among the American Indians smaller shells in the form of belts of wampum, in pioneer days raccoon, bear, and other skins, at times in other nations even stamped leather, and many other articles possessing less or greater intrinsic value, have served as money.

In addition to coins and other mediums of exchange in themselves valuable, there has grown up in the later ages of civilization an extensive system of representing money, induced by the extension of business and the awkwardness and inconvenience of handling coins or other property used as money in large amounts, especially when to be transported a long distance. Paper, already written and printed upon, was naturally suggested as a light and easy means of meeting the difficulty; and in a few generations the vast bulk of the currency of most of the civilized nations came to be composed of small pieces of paper printed with considerable care from engraved metal blocks, often with great beauty of design and color, and called "paper money." Thus has developed the vast system which has produced in this country the State and private bank-bills, of which comparatively few are left, the "greenbacks" or treasury notes and national bank-bills, the fractional currency, now almost passed out of use, the silver certificates, which pass currently as money, though not designed for such in

the first instance, and the gold, silver, nickel, copper, and bronze coinage of the Government. There is in addition the system of representing money, whether in metal or paper, by checks, drafts, certificates of deposit, postal orders and notes, and other writings or prints which are often passed from hand to hand as the equivalent of money in business transactions.

But, after all, abundant opportunities to labor are better for a nation than a superabundance of money. As Mr. Samuel Laing has well said: "Productive industry is the only capital which enriches a people, and spreads national prosperity and well-being. In all labor there is profit, says Solomon. What is the science of Political Economy but a dull sermon on this text?"

The representation of labor by money depends upon the relative value of the different kinds of labor,—that is, the relative exchange of one labor for another of a different kind. And in order that the money-maker may understand the principles upon which his labor is valuable in money, and why money will release him from labor, it is necessary to show him how his labor can be represented by money in the first place, and then show him how he can in like manner command the labor of others, or how he can supply his wants with money without labor.

To the casual observer the great machinery of life seems complicated, confused, and uncertain. He looks about him and sees such a variety of trades and

occupations, such a swarming of people in cities, such mighty multitudes in nations and races all moving together in harmony of life, that it amazes and surprises him. But let him once ascertain the unit of this combined action, and all reveals itself as simply and plainly as the seemingly confused crowd of figures in the multiplication table was revealed to his youthful wondering eyes when he became aware of the use of the unit in figures.

Agriculture was the primal manifestation of labor, whether that labor was performed by gathering the natural fruits of the earth or by a successful endeavor to reproduce them in kind. The effort to reproduce them required, as we well know, the turning up and the smoothing down, and the general working of the ground. It matters little whether this labor was performed by one, by two, or by a nation in this manner: there was a time when some rude instrument was used by the agriculturist to supply the place of hands to upturn the earth and work it. We will pass by all anterior modes of interchange between these primeval agriculturists, and assume the point when they found it convenient or necessary to use implements in tilling the ground; and here begins the allegory explaining the machinery of society as it now exists.

There was in the far recesses of the past a community of agriculturists, and they occupied a wide tract of land productive and beautiful to behold. They

gathered the fruits which overhung the soil, and lived and increased in numbers. The natural products being insufficient to supply so many people, and seeing that seeds grew and produced, they turned their attention to planting the seeds in the ground, and were rewarded with a harvest. They found that digging in the earth with their hands and with sticks was a slow and tedious process; and an ingenious man conceived the idea of making a hoe, a rude construction to be sure, made of stone, and with a hole in it for inserting a handle. He was enabled to do as much with his hoe as four or five persons would do with their hands and sticks; and this his neighbors saw, and endeavored to follow his example and make a hoe for themselves. So the inhabitants all set to work to make hoes; but when they went to get the stone out of which to make them, some had and some had not the right kind of material; and the result was that some succeeded and some did not succeed in accomplishing their object.

Here was a spur to those who could not make hoes to get them in some way; and the idea naturally occurred to them to get the man who made the first hoe, and who had plenty of material, to make for them also. So application was made by a near friend to the hoe-man to make a hoe; and being a good-natured and obliging fellow, he consented, and made his friend a hoe. Another and another did the same, till the man found he had no time for anything else, and finally had nothing to eat. "This will not do," said he;

"I must have something to live on, even if I disoblige my friends;" and revolving the thing in his mind, an idea occurred to him. Said he to himself, "If I spend my time in making hoes for my neighbors, why should they not spend their time in raising grain for me?" After reflecting on the matter for a few days, he determined to take a stand and not make any more hoes, assigning as a reason that he had nothing to eat, and must go to work and raise something.

The man's neighbors, for whom he had made hoes, saw at once the injustice of taking his time and leaving him to starve. So each one made up in products just what it was thought he might have earned at agriculture, and a little more on account of his having the material out of which he constructed the hoes, and sent the amounts to him. Of course the man was pleased, and at the same time amazed at the accuracy with which each had judged with the other the amount to be given for his hoe. He reflected upon it for some time, and said to himself, "I have more products given me for my hoes than I could have raised out of the earth in the meantime in making them; and instead of being just as well off as my neighbors, behold, I am better off, and have a surplus." The man determined at once to make more hoes, and so gave notice to those whom he had refused that he would make for them also, and would take grain in payment therefor. The man was driven very hard to supply all with hoes who wanted

them, and the grain poured in so fast upon him that he could not consume it.

About this time it was rumored that a man living at a distance had made some cloth out of bark in a very peculiar way, and the people in that vicinity found, in like manner as with the hoe, that they could get this cloth for grain; and although the cloth they made themselves answered their purposes very well, still this other cloth was handsomer and suited their tastes and fancies better than their own. The result was that the cloth-man had very soon more to do than he could well attend to himself, and was overstocked with grain. A man who was an agriculturist, and also an ingenious man, knowing this state of things, went and proposed to the cloth-man to leave his agriculture and join him in making cloth. The cloth-man was pleased to have some one to help him, as he had more to do than was agreeable, and at once consented to let the agriculturist join him.

They commenced working together. But they had worked only a day or so on the cloth, when it became apparent that the one did twice as much as the other, and did it twice as well. This did not at first seem to make much difference, as the one was delighted to have some one to help him, while the other was equally delighted, and expected to get as much grain as he who had worked at the cloth so long. They both worked on very well satisfied with each other, the neighbors bringing in products every day or two, and

taking away some of the cloth. It soon became apparent that they all preferred the cloth of the Original Jacobs, and the agriculturist's cloth was left on hand. This did not seem to make any difference, till one day they had none of Jacobs's cloth, and they wished a customer to take some cloth made by the agriculturist. "Well," said the customer, "if you have none of the other I do not care for this, for we can make as good as that ourselves." And so the man went away, and would not leave his grain. Then they tried with others to change the agriculturist's cloth for grain, but with no better success; and they were both exceedingly unhappy, and did not know what to do.

As the hoe-man had heard of the cloth made at a distance, and had seen some worn by a traveler who passed his way, and also heard that the man would take grain for his cloth as he had done for his hoes, after thinking the matter over several days he determined to have some of the cloth. The next inquiry occurring to his mind was to know how he was to procure it, and how he was to get the grain so far. He mused upon it for some time. Said he, "If I go myself and carry my grain, it will take me certainly six days. In that time I can make ten hoes that will bring me ten measures of grain, and they say I shall be obliged to give the cloth-man ten measures more for what I want. So when I get back, my cloth will have cost me twenty measures of grain. Let me see: I know a friend going that way, and possibly he would

take my grain and get my cloth. I will see him about it." He had scarcely ended the sentence when his friend came in and began to speak of this same cloth, and told the hoe-man that he was going to make a journey there to get some of it. "And," said he, "a traveler who passed this way told me that he heard a man say, who is an agriculturist living near the cloth-man, that they had heard of your hoes over there and wanted some; but that it is too far to carry the grain, and they had not come for them. Now an idea occurs to me to carry some of these hoes over there and see if I can get grain for them; and then, the grain being on the spot, I can easily get the cloth. What do you think of it?"

"Well," said the hoe-man, "I see no objection to it whatever. And another thing, Mr. Commerce [for that was his name], I want some of that cloth myself; and as you are going there, could you get some for me also?"

"Certainly," replied Mr. Commerce, "I would willingly oblige you; but I can not carry either grain or hoes enough to get there and back in a week's time, but will do it as quickly as I can."

Now the hoe-man was a good, honest, and clever soul; and although Mr. Commerce was ready and willing to oblige him, and get his cloth and carry his hoes without compensation, he would not make ten measures of grain or ten hoes out of Mr. C.'s labor without compensation, for he had had a taste of that.

himself. So he told Mr. Commerce what it would cost him to go, and frankly offered him the ten hoes or ten measures of wheat if he would bring back the cloth with him. Although Mr. Commerce had the reputation of being very shrewd and cunning, yet he had wisdom enough, and principle enough too, not to extort from the hoe-man more than was fair, and he said he would take the matter into consideration. In a little time he called again on the hoe-man, and in the meantime he had seen one of his neighbors who had heard of this same cloth, and who also wanted just as much as the hoe-man wanted. Mr. Commerce, being a calculating and really shrewd man, said to himself, "If I can make something from the hoe-man, and something from my neighbor, who knows but that I may make enough to get my cloth for nothing?" The idea stimulated him greatly, and he went about to see if some one else did not want this cloth also, for they had all by this time heard of it. He was well rewarded, for many who had raised more grain than they could use, because their new hoes had helped them so much, were anxious to get this cloth, and more particularly since they had heard the hoe-man was going to get some.

The result was that Mr. Commerce began to count up, and found that if all were supplied it would take all the hoes the man had, and it would be utterly impossible for him to carry so many. So he set his wits to work to see how he could carry them, and

finally hit upon an expedient. He conceived the idea of tying the hoes together and balancing them across the back of an ox, and driving the ox before him to the distant land. The plan was divulged to the neighborhood, and all seemed much pleased, because it amounted to an impossibility for each one to go separately.

An unexpected trouble happened at this juncture, not thought of by Mr. Commerce, and entirely new to the hoe-man. It occurred to Mr. C. that he had not grain enough to give for the hoes, and how to arrange that matter he did not plainly see. So he went to the hoe-man, told the whole story to him, and being a sensible man he said: "As you will return in a week, and as I have these hoes on hand and have grain enough to last me some time, and, to tell you the truth, I can not just now take in so much, but will be able to do so by the time you return, you can take the hoes, and when you do return with the cloth our neighbors can bring in the grain. If this is satisfactory to you, it is so to me."

It is needless to say the parties perfectly agreed with each other; the entire arrangement was carried out, and all arrived safely at their destination. Mr. Dimity and Mr. Headlong, for thus were named the cloth-makers, had in the meantime been thinking over the quandary in which they had placed themselves. Mr. Dimity had none of his own cloth, and none on hand except that made by Mr. Headlong. They were

talking this matter over when Mr. Commerce arrived in the country. He left his ox some way back upon the road in a little grove, and tying him to a tree, placed some food before him, and started for the abode of Mr. Dimity with one of his hoes. After a few passing remarks, Mr. C. inquired of Mr. Headlong, since he happened to speak to him first, "if he was the maker of certain cloth which was considered very good?" To which Mr. Headlong replied in the affirmative, and showed him such as he had made.

"The cloth suits me," replied Mr. C.; "what do you ask for it?" and the price named was just what Mr. C. had supposed it would be. "Whether I take any or not will depend upon whether you can take what I can give you in return for it," said Mr. C. "I have here a hoe, an agricultural instrument, by which much more grain can be raised by one person than with the bare hands and sticks," said Mr. C.

"I have heard of that implement," said Mr. Headlong, "as some one of my neighbors was saying that he wanted a hoe, as you call it, since he had heard it spoken of very highly."

"You can try it, and see how you like it; and if you do, then I will make you a proposal," said Mr. C. The result was that Mr. Headlong was pleased with the hoe, and regretted much that this was the only one Mr. C. had brought, as he had seen several who were anxious to procure one. The price was asked, and Mr. C. stated "that they sold where they were

made for ten measures of grain, and it could not be expected that he would bring them so far and sell them for the same price."

"No," replied Mr. Headlong, "I will willingly give you equal to fifteen measures of grain, payable in cloth, for this one, and if you had more I would take them on the same terms."

"Your offer is very liberal, Mr. H. How many would you take on those terms?"

"All you have," quickly replied Mr. H.

"Then I will let you have thirty," returned Mr. C.

"I do not know that I have cloth enough made to give you all of it now, but I will see," said Mr. H.

The result of the barter was that Mr. C. took back of Mr. Headlong's cloth sufficient to pay for the thirty hoes, and had made the value of fifteen more, and had it in cloth.

Dimity and Headlong sold their thirty hoes to the surrounding neighbors, and received more grain for them than they could have sold their cloth for. In fact, the people were all so well pleased and so entirely satisfied, that Mr. Commerce became very popular—so much so that he finally determined to establish himself midway between the countries, in order that he might extend his operations to all sorts of things which were just being introduced by ingenuity and labor.

As the people increased in numbers and the articles of use became more abundant, Mr. Commerce found

it next to impossible to exchange one thing for another, and the people who had been so well satisfied with his management heretofore, were becoming clamorous and uneasy. He found that persons came from a great distance, and instead of bringing their goods along they were compelled to leave them behind; for although they were valuable, and would command other things in exchange at that place, their bulk prevented their profitable removal. Finally he hit upon a plan by which one could remove, leaving his property behind, and take with him its representative in some small article which could be easily transported.

Then the question and main difficulty arose, how this representative should be made. It became evident from experience, as in the case of the thirty hoes which were sold for cloth, that what would represent the hoes where they were made would not represent them where they were sold. So that Mr. Commerce and all the people whom he consulted saw at once that a hoe could not be represented everywhere by anything but itself, and they were still in trouble. As wants began to multiply, suggested by the great variety of little things made, and people increased also, every one found it inconvenient to barter for these small things, and in many cases the people had to part with more and buy more than they wished to do.

Finally, Mr. Commerce, who was an ingenious and highly useful man to the people, hit upon a plan which all thought would work well and be a great benefit to

every one. He proposed that when a person sold anything he should have something to represent the value or the price at which the thing was sold, and the seller should have the right to choose whether he would take other things in exchange or whether he would take the agreed value, as arranged between the buyer and seller. This seemed to please every one; but still there was a difficulty, and that was to find something compact which could be used as this representative. Some proposed pebbles, some wood, some bits of leather, and some one thing and some another. But all such things, they found, would not do, because dishonest people could make any quantity of them without ever having had in their possession anything which they represented in value.

About this time a lucky circumstance for the people occurred. Some men were digging in the rocks in a neighboring mountain, and discovered a metal called silver; and as they had never seen such a thing before, they labored for it some time, but procured only as much as they could hold in their hands. They at once conveyed it to Mr. Commerce to know what it was and what it was worth, and supposed as a matter of course that he would know all about it.

"This is a strange thing to me," said Mr. C.; "where did you get it?"

"In a neighboring mountain," replied the men.

"Is it abundant?" inquired Mr. C.

"By no means," said the men; "we three have

labored hard six days each to get what you have in your hand."

Now Mr. Commerce was a quick-minded man, and his experience had taught him much wisdom. A thought occurred to him. He did not communicate it to the men, but said to them, "Go back to the mountain, work again for six days, and bring me as much silver as you all three get, and I will pay you for your labor the same wages as though you worked in the field at agriculture. The men were well satisfied; they departed, and returned at the end of the six days, bringing just about as much as they had brought at first. Mr. Commerce paid them for their labor, and seeing that they could get as much for this kind of work as they could for any other, with the chance of finding much silver, they returned to the mountain and worked on steadily. Other men, hearing of this silver, started into other mountains, where some did and some did not obtain any.

Mr. Commerce, who was constantly making calculations, kept an account of every day's work that was done, either in exploring for or working at, successfully or otherwise, this silver-getting, till he was satisfied that no great quantity of it could be obtained without a corresponding amount of labor. It had occurred to him before that this silver might be used as the representative of labor; but the exact way in which it could be used had not yet become apparent. So, after a considerable time, he added up all the days'

work which had been done at this silver-getting, and set a man to work dividing up the silver that had been obtained into just as many pieces as there had been days' work done; and he was astonished to find how small the pieces were. He then reasoned with himself in this wise: "If these men have worked faithfully, and I think they have, the result of one day's labor is one of these pieces of silver. Now these pieces of silver are small and easily conveyed; can we not all agree to make these pieces of silver the standard of labor? Let me see how that will work. Suppose one man can not do as much as another: how then? For example, suppose one man should do twice as much as another?" And his own proposition seemed to bother him. But he quickly recovered and said to himself: "No; this fixing the value of a day's work by a given piece of silver won't do; because the day's-works will not all be alike, nor if alike will they always produce the same value. My experience teaches me that value is a relative term, and that there is no value to anything without exchange or that will not produce something to exchange. And, too, I find that the same thing will not always bring the same number of day's-works, nor is it of the same value. It seems to me, then, that the price agreed upon between buyer and seller, or the result, should in some way be represented, and certainly this is the value of the thing or things at the time and place as agreed upon by the

parties. Now if one thing is five times as valuable as another, if we can represent the value of one thing, we can easily represent the value of another, just as I have learned in figures where one is the unit, and any number of results can be represented by repeating the unit or dividing it. Now if I can only get the people to agree, why not use one piece of silver to be the unit to represent values, or agreed-upon results, between buyer and seller, as well as use the unit one as a figure to represent the unit of results in figures?"

Mr. Commerce was so much elated with the idea that he at once called all the people together, told them the whole story, and asked them what they thought of it. Some thought well of it at once; others did not understand it; and others had so much confidence in Mr. Commerce, since they had always found him useful and honest, that all agreed to it in a body. Since then the results of labor and bargains for labor itself have been represented without difficulty. Everybody took his things to Mr. C.; and having provided himself with sufficient silver for the purpose, he was prepared, after his customers had mutually agreed upon the value of what was sold or purchased, to represent the result in silver and pay over the balance which was found in favor of the seller or buyer. Soon the people had silver themselves, and they would frequently go to their neighbors and get things for the silver, just as they had formerly exchanged with each other. The plan worked so well that the people flocked to Mr.

Commerce for almost everything, and took almost everything to him; and his business increased so that he was compelled to build ships to carry things from one place to another, and have them rowed or paddled by men. This took away so many men from other pursuits that it became a serious matter, and the people were dissatisfied because that raised the price of labor. An ingenious man, seeing what was wanted, set his wits to work and made a ship with sails to it, that would go when the wind blew without being either rowed or paddled. After he had it all completed he told Mr. Commerce about it, and asked him to look at it and go with him in it sailing. They went, and it happened to be a fine day and a pleasant wind, and the ship went right past the other boats filled with men rowing, paddling, and tugging away, much to their amazement, because they saw no oars or paddles, and did see a few people standing upon the ship doing nothing.

When the ship turned about to return, and the ingenious man had set his sails so as to go against the wind, Mr. Commerce was amazed, for he had not till then seen the utility of the thing. He thought that it was quite easy to go with the wind, but he had not seen how it would go against the wind also. Mr. Commerce at once made an agreement for the ship, and purchased it, paying a large pile of silver pieces for it, more than the man could carry. The ingenious man had more silver than he knew what to do

with; but he went immediately about making other ships, and the result was that the people were delighted, for they saw at once by the explanation of Mr. C. that this invention of sails to the ship gave them just so many more able-bodied men, and increased their total wealth just the value of so many more day's-works in the year.

The entire success of this invention to save labor, or rather increase it, induced the people to hold out great encouragement, and offer large rewards to any ingenious person who would in like manner make any article by which more could be accomplished with less labor. For the people saw plainly that every day's labor saved was a day's labor made. The result was that every species of contrivance to save labor was resorted to. A man made a mill to turn by water, which would require an immense number of men to accomplish the same thing; another made an engine to run by steam, which accomplished wonders.

The people, although much pleased with the first labor-saving machines, and aware that they saved the labor of men, soon found that the labor at first saved had a value nearly, if not quite, equal to manual labor; but as the supply of that kind of labor increased, it diminished in value. The same with the water-power and the steam-power; although each was the representative of labor, each had its value according to the demand and supply, just like manual labor.

The allegory must end here. Enough has been related to show the rise and progress of commerce from barter to the more easy exchange of the wants of high civilization, from the first form of manual labor in agriculture to the higher labor of motive powers. It has been shown, too, from the allegory, how labor can be compared with labor, how labor or its equivalent gives value to all things, how the things themselves are compared with each other in value and a difference obtained as the result, and how that result is represented by money.

To the money-maker the lesson is not only necessary, but valuable, in order to show him what money is and where to look to obtain it. Nor need he be ashamed to labor; for whoever has money that he made himself, has labored to obtain it. There can be no escape from the disgrace, if disgrace it be, to labor; and the result of that labor, perchance, should be riches. More and closer than that, even, does the disgrace cling. The man who has a dollar in his pocket, if not given to him or not dishonestly obtained, has labored for it, and the dollar, before he came in possession of it, was the representative of some one's labor. If labor is a disgrace, then to have money is likewise a disgrace.

Nor can all labor at the same thing. Honest labor makes honest money, and when it finally falls into the coffers of the wealthy, there is no distinction between one dollar and another; and so there should not be, in

any rightly balanced mind, any invidious distinction between one kind of labor and another. All honest employments are commendable, nor should any one who is willing to be seen spending a dollar, be ashamed to be seen earning one. Education and refinement are the acquirements that elevate and make wide distinctions between individuals; and generally speaking, the employment is indicative of these possessions. On this account it is that one employment is regarded as less or more reputable and less or more respectable than another. This should be so; for he who arms himself with knowledge, polishes himself from the asperities of his nature, and is refined and winning in his manners, naturally commands a higher price for his labor than he who is ignorant and takes no pains to acquire those qualities. The former has fitted himself for higher duties in life than the latter, and his value as a member of society is greater to the community, and hence is more highly esteemed. In the selection of employments choose those, if you can adequately prepare for them, in which the compensation, as well as honor and repute, are greatest. And you may be assured that such will require the exercise of the greatest amount of skill and the possession of the largest amount of knowledge.

The two great branches into which Nature herself divides labor, the intellectual and the manual, are never entirely separated. Possibly there is no such thing as purely manual labor, without some exercise of the

intellect, and hardly any intellectual toil venting itself in expression, that does not involve at least a little physical effort. From the kind which predominates, however, we derive that which is termed "manual labor," as well as that called "intellectual labor;" and the two may be said to bound the realm of human exertion on all sides. Between their extremes nearly all possible combinations of the manual and the intellectual are made. Upon the one confine are the lingering rays of barbarism; upon the other the sure, full light of civilization. The two kinds of labor work in unison to produce the great intermediate circulation of the middling classes, and all chime together to constitute the harmony of society.

Since intellectual and manual labor combine, as we have seen, to produce such admirable results, there is still another combination of each of them, separately or together, with concentrated labor, producing still higher and more brilliant results. Concentrated labor is MONEY, or what may be termed in a broader and deeper sense CAPITAL. When one person furnishes capital, and another performs the manual and intellectual labor necessary to employ it to advantage, they both really work in unison, the one with his money, the other with his labor not as yet converted into money.

"Undoubtedly the man who possesses capital," says Prof. Sumner, in his admirable little book, "What

Social Classes Owe to Each Other," "has a great advantage over the man who has no capital, in all the struggle for existence. Think of the two men who want to lift a weight, one of whom has a lever, and the other must apply his hands directly; think of two men tilling the soil, one of whom uses his hands or a stick, while the other has a horse and a plough; think of two men in conflict with a wild animal, one of whom has only a stick or a stone, while the other has a repeating rifle; think of two men who are sick, one of whom can travel, command medical skill, get space, light, air, and water, while the other lacks all these things. This does not mean that one man has an advantage against the other, but that when they are rivals in the effort to get the means of subsistence from Nature, the one who has capital has immeasurable advantages over the other. If it were not so, capital would not be formed."

Capital is the representative of labor, and is obtained as the profits of labor or is the surplus of the proceeds of labor above expenditure. One who expects to make money will soon find himself in the possession of capital, if he should be successful. It is considered by most people as quite essential to a full, fair start in the world. You may be sure, however, that he who does not know how to accumulate capital will not understand how to handle it safely and successfully, if entrusted to him. To know how to make a dollar, and how to save and invest it, is the first lesson

of the money-maker, and is generally the key that locks safely up the fortune. If it be no more than a dollar, still it is capital — small, to be sure, but unmistakably capital as far as it goes.

When Mr. Commerce wanted to take the hoes of the manufacturer if the latter refused him credit, then would have been the time to use capital. For Mr. C. saw that he could make by the operation; and if he had paid down for them, there would have been no need of asking a favor of the manufacturer. But Mr. Commerce got on just as well without as he would have done with the money, simply because the manufacturer had confidence in him, and his property was safe in his hands. This allowing persons to take property for a time without paying for it is called credit; and, as has been seen, it is sometimes just as good as ready capital for the accomplishment of the objects of trade. If one carpenter borrows the tools of another and uses them, he has borrowed and used capital, and in just as complete a manner as though he had borrowed their market value in money and used it for the same time. Capital may be in money or it may be in money values: in either case it is the representative of labor, and its name is generally taken to signify money or money values, owned by the possessor.

These definitions and explanations are all deemed necessary, in order to disclose the foundations of wealth and show what it is, and upon what its getting

and possession depend. If money is of no value to supply wants, then it is of no value as a fountain of comfort and pleasure, and can offer no inducement to the seeker and toiler after fortune. Therefore to explain to him how money came into being, what it is, and what it will do, seems quite as essential as to point out the methods of procuring and those of keeping it. As the famous author and statesman, Lytton Bulwer, said, "Never treat money affairs with levity: money is character."





CHAPTER IV.

THE BEGINNINGS OF FORTUNE.

If you want to test a young man, and ascertain whether Nature made him for a king or a subject, give him a thousand dollars and see what he will do with it. If he is born to conquer and command, he will put it quietly away till he is ready to use it as opportunity offers. If he is born to serve, he will immediately begin to spend it in gratifying his ruling propensity.

JAMES PARTON.



WHATEVER may be the circumstances of any who are left with money, not one in a hundred retains the original inheritance or gift. Depletion inevitably follows, as a rule, even though the desire, the intention, and the strenuous effort may be to increase instead of diminishing the amount. The person who suddenly becomes possessed of wealth by a bequest or by lucky chance, as in a lottery or speculation, is in the position of a landsman who suddenly finds himself alone on shipboard, and out on the wide, heaving sea. The ship is beneath him, it is true; the rudder is in place, the sails all bent; and under a fair and gentle breeze he may have skill enough to hold the helm aright. Though he paid little attention to it, indeed, if yet the ship were in trim, all would go well. Some skillful and experienced hand had arranged all this

for him before ; and a moment's reflection will enable the most superficial to see that the skill and experience implied were not the work of a day or of a year.

The inexperienced mariner on the sea of business has now his inexperienced family on board. For lack of attention and care the sails soon become mildewed, and are split by the first gust that strikes them. The yards are out of place : one gives way after another, until weakness prevails wherever strength and symmetry had formerly been. The very first storm finishes the rigging, and at once the danger of total wreck is upon the voyagers. If now the helpless and ignorant seamen can but reach the shores in safety with their lives, they care little what may become of the floating hull.

The management of a fortune is not less difficult in its way than the management of a ship upon the broad pathway of ocean. Ask the captain of a sea-going vessel whether he would place a son of his in charge of it until the youth had been well grounded in the theoretical as well as the practical knowledge of seamanship. Ask him whether any degree of affection could prompt him thus to expose both the safety of the ship and cargo and the life of the son. Ask him, too, what under such circumstances would be the probable chances that the ship, with its valuable freight of property and human souls, would ever last through an ordinary sea-voyage, and reach a haven in safety. His answer would undoubtedly be much the same as

that you would get if you inquired of the head of a banking-house what the result of his business would be if it were entrusted to the management of the youngest and least experienced clerk in his bank.

The case is a clear one, that inexperience in any department of life's work is conclusive evidence of present inability. Yet little thought is bestowed, apparently, by the majority of parents or guardians upon the wisdom and ability of the heir to handle what they are soon to confer upon him. Some there are, at rare intervals, who measure all these things correctly in a well-balanced mind; but cases of this kind are as scarce as is the skillful management of money by the inexperienced. Nor is it invariably within the power of the man of wealth to bestow his own money as he would, since disease or death may suddenly overtake him, and leave his fortune to be distributed under the statutes of the land. If he have no interest, indeed, in those who are to be his heirs, he need then take no care to surround them with defenses against sharpers, or give them any knowledge of the way to manage that which has required almost every moment of his waking thoughts and a lifetime of experience to do well.

The main difficulty which all young persons experience, when they come to act for themselves, is that they do not know what or how to do. If a merchant desired to buy a stock of goods to advantage, do you

think he would succeed if he had never bought an article of the kind in his life, or even been present at the purchase of one? There is no trouble at all about the simple purchase of the stock; that would be plain and easy enough. He would have only to find who keeps this, that, and the other thing, go to them and buy; and the purchasing would be readily accomplished. But he would be just as likely to buy his goods at third or fourth as to get them of first hands; and if he was so fortunate as to deal with first hands, he would be as likely to pay one price, a high one, as another, or the right one. His very first step in merchandising would probably be his ruin; and when once his capital is gone and his credit as well, he is really worse off than a young man without either friends or money.

The young beginner, without experience in the methods of bargaining, the value and prices of articles which he is compelled to purchase, and even of the little business he is obliged to carry on to supply his personal wants, may and very likely would as utterly fail in his first attempt at purchasing a stock, as would the man who undertakes merchandising without knowledge. If such beginner had no parent or friend to resort to, for the remedy of his losses or deficiencies, the embarrassment would be about equal in both cases. But if the child had been taught at, say, twelve years of age that he was a consumer, and hence might at that early period become a merchant in embryo, and

had been furnished with the capital used by his parent wherewith to begin the purchase of what he himself consumed, a real education in value and in the larger business of the world would have been begun. When that child reached the age of twenty-one he would have been nine years practically a merchant, and would ordinarily have touched the value of nearly every article of consumption sold in the land. And if such business had been conducted with economy and skill, his profits of it, beyond what the parent would have expended in making the same purchases more hastily and carelessly, would be a handsome capital upon which the young man might commence business for himself as a merchant, or give him a good start in some other business. The figures resulting from such a course would probably astonish the most calculating. To the child the benefits would be enduring; and at every step in his business career, from the day he was twelve years old until he reached his majority, some useful and practical knowledge would be acquired.

Nor would this interfere with the child's general education, except to promote it by materially aiding him in acquiring knowledge. It would make him self-confident, improve his perceiving and reasoning faculties, and increase his powers of forethought and calculation. From necessity he would come to know the value of a dollar, which is the first step towards becoming confidently independent of charity.

A word concerning this term "charity." It may

sound harsh upon the ear, though many who are dependent upon it are not ready to admit the fact of their dependence, and much may be said in defense of the thing it represents. The child, for instance, is really supported by the charity, in some sense, of the parent, until he supports himself. Every pupil at the public schools, and most of those at the universities, colleges, and academies, especially those founded by the state, is a charity scholar, so far as the expense of his tuition is met by public taxation or by endowments from the general and State governments or private beneficence. The friend who eats your bread, and can for the time being get bread in no other way, lives on charity. The old who can not work, and have no means, are in like manner the subjects of charity.

The position of a recipient of charity is a truly unenviable one; and it is rightly considered more honorable to work at any honest employment than to accept this boon, either at public or private hands. If, then, the young can early place themselves beyond the charity of the parent even, they will have accomplished a great and good work. But this is hardly to be expected, except when the parent has not the means to support and educate his child.

The seeds of a fortune, if sown for a rich and abounding harvest, must be sown early. Some may find out later in life the means of so managing for

themselves as to accomplish the same object; but for the vast majority of our youth the earlier the lessons of economy, self-denial, prudence, and skill in handling capital are learned, the sooner they can be put into practice. The earlier the lesson of holding and having money is taught to the child, for the purpose of keeping out of the humiliating position of a dependent, the less fear there is that money will be sought with an appetite for hoarding. The child must be taught rightly, or the instruction may operate somewhat like medicine given in over- or under-doses. We shall have more to say of this in a subsequent chapter, to be devoted to business education. But a lesson in purchasing may properly be given here, which should be prefaced by a few well-approved rules concerning the making of purchases.

1. Find out before you start just what you want. This will save time, and keep you from buying what you do not want, or from "cheap bargains," which are always the dearest in the end.

2. Ask for the varieties of the kind of goods you are seeking, if you desire to select. Ask for nothing else. To ask to see that which you do not want, out of curiosity, is taking the time of the tradesman by false pretenses. It is taking from him by false representations that which is money to him. If he voluntarily offers to show you, look then, if you like.

3. Ask the price simply.

4. If the price and the article suit you, take the goods. If they do not suit you, leave without asking abatement. If the tradesman can abate, and wishes to sell at a lower rate, let him make the proposal. But if you do it by "jewing down," you plainly imply that he charges more than he can afford to take, and so is trying to make an exorbitant profit. It is "jockeying" on the part of the purchaser, which is both unmanly and undignified.

5. Be prompt in your decisions. This is practicable if you know what you want, and it saves much time to all concerned.

6. Never ask the wholesale dealer to sell you a retail quantity at wholesale price. For then you do injustice to the retailer, and also ask the wholesaler to present you with the sum of money which represents the proper addition to the wholesale price, whether the business be done by one man or by another.

7. If the tradesman deceives you, go to him no more. There are more places than one where you can get the same article; and if he deceives you once, he will in all probability deceive you again.

8. If he sell you a poor article for food, let him know of it. The chances are that he has been as much deceived as you were, since false representations make him criminally liable. He will readily correct the error, if he is an honest man: if not, you can not

make him honest by complaint at law, though that might be your duty.

9. If you find you have deceived yourself in a purchase, keep the goods. The seller can not find eyes and judgment on both sides of a bargain. Do not then blame him, but blame yourself.

10. Treat tradesmen with respect and politeness. The buyer and dealer, in all honest and necessary dealings, stand upon the same platform of personal equality. Each is necessary to the other, and they are for the time equal each to the other — the one holding the goods, the other the purchase money for the goods. Be polite and civil to your tradesmen, and they will, for the most part, be similarly civil to you in return.

11. Be discriminating in values. There may be a hundred articles of the same kind and price; but one may be of much better quality and much higher value than another, and in order that you shall get the most for your money you must select the best from the lot.

With these very general suggestions, which are by no means all that might be made under this head, we will now take our young beginner in the arts of money-making to a shoe-store, say, to give him a practical lesson from the school of actual experience in purchasing. We say to him :

“And now, my young man, I am going to take you to purchase the first pair of shoes you ever bought for

yourself; and as we go along we will have a talk together. You know you have got your father's money, which he has labored hard to procure, and every shilling counts one with him. He has also entrusted you with it to expend for necessaries, and as a trustee of that money you must spend it only for such things as are purely necessary, and with his permission only. You may say that you have to-day entered, by your father's consent, upon your A B C of manhood. He has done this to educate you in the ways of the world. If you use the knowledge, you will gain by his kindness in this respect; you will thank the day when you commenced this system of education, and all I can say to you is this, persevere in it till your father ceases to give you the means of support."

"We are now at the shoe-shop. What number do you wear?"

"Indeed, I don't know," replies the boy.

"Certainly, I did not suppose you did; but you must find out, so that when you come again you need not spend ten or fifteen minutes trying on shoes till you find a pair to fit; for by your ignorance of that fact now three of us, the shoemaker, yourself, and myself, lose collectively about half an hour of valuable time—yours for play and study, mine for writing, and the shoemaker, who, because everybody is equally ignorant, has to charge more for his shoes. What kind of shoes do you want?"

"I do not know; such as mother gets me, I suppose," replied the boy. "Yes, calf-skin, thick-soled."

At last the young buyer completed his purchase. His shoes proved to be a good pair, and the amount paid for them was a little less than the parent usually had to give; for somehow the merchant thought he would not put on the maximum price to a novice, especially in the presence of his father or tutor; and the whole transaction was eminently satisfactory to all the parties.

It is not difficult to see what mental qualities were called into exercise by this simple lesson in actual purchasing. The boy would begin at once to take an interest in such articles, examine them particularly, inquire what they are made of, and their several qualities, the kinds of leather, and perhaps cloth, used in them, how it was made and where; till, following up these suggestions, his inquiries will ramify into every avenue of knowledge of a practical nature and utility. Such information will store his mind with facts quite essential to the vigorous acquirement of other learning, as the mind will have an exercise prompted from without which is highly stimulative to its energetic action.

An independence should be sought with care, labor, and forethought, as being the next best thing to knowledge. Knowledge, indeed, is not necessarily superior to one's duties to his neighbor, to himself, and to the

public at large. Therefore, in order that the youth may be incited to acquire a business knowledge, and to plant his first dollar in security as the seed of an independence or a fortune, he must understand what that dollar will accomplish towards the desirable end. He must learn how a dollar can be lost as well as earned, and that, like the seed placed in the ground, it requires fencing in, as it were, to keep it from being destroyed.

Incentives to make money should be explained, and that the same care and attention which make the little business of the child profitable will make the larger business of the man likewise profitable. The business of the man is prosecuted for a subsistence and for profit: the business of the child can be made to correspond by a proper domestic arrangement. The parent can either allow his son a commission on the amount of his expenditure, provided rigidly that the business be well done, or he may allow him to make his profit out of the difference between his income and his expenditure. The child must be made to feel, as the merchant feels, that he has the chance of making something, or he will be discouraged and take no interest in his miniature business.

The parent will have done his whole duty in this direction if he adds a business education to the ordinary school or collegiate training of his child, and so fits him to avail himself certainly of what the parent can do still further for him. The moment one takes

the responsibility of bringing a human being into the world, he has a pecuniary as well as moral obligation imposed upon him to make a certain kind of independence for another. How, the reader asks, can this be done? The answer is simple, and the method equally so.

What is the parent's wish? Does he desire to give the child a collegiate education? We will suppose this first, and also that his means are limited; and the prospect then, under ordinary circumstances, is that he will not be able to carry out his desire. Let us see in direct address to the parent. You will be able, probably, to give him the ordinary preparation for college; if not, we must show how that can be done also. We suppose that the preparatory education will cost two hundred dollars, and his collegiate course one thousand. You are to commence the former, say, when the boy is thirteen years old, and his college training is to begin at fifteen. Both these ages, however, are pretty young; and you will do well to allow him three years for preparation, and perhaps begin that a little later.

But let us see what may be done to get the money requisite at the earlier ages. You have thirteen years, from the time the child is born, in which to make the \$200, and fifteen for the \$1,000. How much must you save daily, — upon each of the three hundred and thirteen working days of the year, — to have the amount? Only five cents, one-half dime, one "nickel," will give him the preparatory education, with a

handsome surplus against contingencies of sickness or other extra expense, or to lay up against his going into business. Commencing with the first year of the child's life, sacredly reserving five cents a day from your earnings, and improving this regularly every six months, at the end of thirteen years you will have a fund of \$281.80 if improved at five per cent, \$301.68 at six, and \$324.16 at seven per cent. Even if you do not begin until the child is three years old, you will still have a bare sufficiency; for five cents a day for ten years, regularly improved every half-year, yields \$199.89 at five per cent, \$210.26 at six, and \$222.29 at seven. Is there any one who can not lay aside this trifle every twenty-four hours, to give his child the beginnings of the best education?

Let us now inquire as to the \$1,000 to be raised for the collegiate education. The parent has by our previous plan fifteen years in which to lay aside the necessary sum. Referring to the accumulation tables at the end of the chapter of "Earnings and Savings," in this book, we find that only three times as much as before, or fifteen cents each working day, will give \$1,031 at five per cent, \$1,117 at six, and \$1,212 at seven per cent (more accurately, \$1,030.62, \$1,116.83, and \$1,211.84). How many there are, in this land of abundance of work and of good wages, who can for both these purposes save twenty cents a day, or \$62.60 a year, besides supporting their families!

Or assume, if you please, that the parent is well off,

and wishes to make a settlement of a stated sum upon the child when twenty-five years of age, for the purpose of going into business or settling himself comfortably, or as a marriage gift, possibly to a daughter. Suppose it to be \$10,000. How much would the parent be obliged to lay aside, improved at seven per cent, to accomplish that object? Look at the twenty-five-year table of improved earnings, and run down the column under seven per cent till you find the nearest sum to it. You find \$10,251, and learn that fifty cents per day, accumulated at seven per cent, has done the business. There are very many families in which this amount is frittered away daily, and often more.

But suppose there were five children, each requiring this sum: the whole amount would be but \$2.50 per day for 313 working days, for 25 years, or a gross sum of \$51,255. There are many families who could save even this sum from their expenditures without feeling or missing it. It amounts to but \$15 per week, or \$910 per annum, — \$3 per week per child, or \$182 per year per child. There would, however, be little use in putting this sum in the hands of a child not educated as before indicated, in the ways of business, as in all probability it would be lost in a short time; and the reasons will be apparent if the reader reads this book through. If, however, any doubt should exist in the mind of the parent, the sum could be placed at interest, and the interest only given; or,

still better, purchase an annuity, which would place the child beyond want during life.

How much money is uselessly spent on children — uselessly, because it does not educate, nourish, feed, clothe, or otherwise prove advantageous to them; but is generally a great disadvantage to them, by teaching them that every whim or want can be supplied, and thereby giving them a taste and an inclination to spend rather than to earn.

It is within bounds to say that every child of average well-to-do parents has one hundred dollars spent upon him by parents, which could be dispensed with; that is, in extra cost of clothing, toys, and a thousand and one things. That is 31 cents per day on an average, say till he is 11 years old, and at least fifty cents from then till he is 21 years old, — an average, say, of 41 cents for 21 years. Now, it will probably astonish any one to find what sum this will be, supposing that it is spent only 313 working days of each year. By turning to the twenty-year table of earnings we find that this sum, improved at 5 per cent, gives \$4,324; improved at 6 per cent, gives \$4,838; improved at 7 per cent, gives \$5,424; improved at 8 per cent, gives \$6,096.

This amount of forty-one cents is far inside the real useless expenditure in nine cases out of every ten. Let a father but calculate the amount spent by any one of his children during this period, and he will find that it approaches near a dollar, and often more. But

suppose it to be a dollar ; we find the amount at twenty-one years to be, improved at 7 per cent, \$13,232, a snug little capital to commence life with, or purchase an annuity to make him independent of want.

On page 98 appears a table which shows what an expenditure of \$10 made from the age of one year to 25 years will cost, or, on the other hand, what the same amount will produce if compounded at 7 per cent for 30, 40, 50, 60, and 70 years — that is, if the same amount in money had been put at interest, how much it would amount to at those periods.

This table explains itself. It will be seen by it that an expenditure of \$10 at one year of age, if invested at 7 per cent, would be \$76.12 at 30 years of age, \$149.74 at 40, \$294.57 at 50, \$579.46 at 60, \$1,139.89 at 70, \$2,242.24 at 80 years of age, and so on. And if repeated every year to the end of twenty-five years, the result would be the gross sums of each line added up for the various ages, 30, 40, 50, 60, 70, and 80. Thus it will be seen what ample provision can be made for a child by a little self-denial and a judicious investment of a very small sum each year, a sum that would never be missed from the household expenditures.

In like manner, by reference to the tables of earnings in the back part of the book, say for twenty-five years, either the child or the parent can see that the saving of a cent daily will amount, at 7 per cent, to \$205 when he is twenty-five years old ; of 5 cents per

TABLE

Showing an expenditure of \$10 at any age from 1 to 25 years, and the amount such would be if improved at compound interest at 7 per cent at 30, 40, 50, 60, 70, and 80 years of such person's age.

YEARS OLD WHEN SPENT.	At 30 years.	At 40 years.	At 50 years.	At 60 years.	At 70 years.	At 80 years.
1	\$76 12	\$149 74	\$294 57	\$579 46	\$1,139 89	\$2,242 24
2	71 14	139 95	275 30	541 56	1,065 32	2,095 65
3	66 49	130 79	257 29	506 13	995 63	1,958 55
4	62 14	122 24	240 45	473 02	930 49	1,830 32
5	58 07	114 24	224 73	442 07	869 62	1,710 67
6	54 27	106 77	210 02	413 15	812 72	1,598 76
7	50 72	99 78	196 28	386 12	759 56	1,494 17
8	47 41	93 25	183 44	360 86	709 87	1,396 42
9	44 30	87 15	171 44	337 25	663 43	1,305 06
10	41 41	81 45	160 23	315 19	620 03	1,219 69
11	38 70	76 12	149 74	294 59	579 46	1,139 89
12	36 17	71 14	139 95	275 30	541 56	1,065 32
13	33 80	66 49	130 79	257 28	506 13	995 63
14	31 59	62 14	122 24	240 45	473 02	930 49
15	29 52	58 07	114 24	224 73	442 07	869 62
16	27 59	54 27	106 77	210 02	413 15	812 73
17	25 79	50 72	99 78	196 28	386 21	759 56
18	24 10	47 40	93 25	183 44	360 86	709 87
19	22 52	44 30	87 15	171 44	337 25	663 43
20	21 05	41 40	81 45	160 22	315 19	620 03
21	19 67	38 70	76 12	149 74	294 57	579 46
22	18 38	36 17	71 14	139 95	275 30	541 56
23	17 18	33 80	66 49	130 79	257 29	506 13
24	16 05	31 59	62 14	122 24	240 46	473 02
25	15 00	29 52	58 07	114 24	224 73	442 07

day, to \$1,025; of 10 cents a day, to \$2,050; of 25 cents a day, to \$5,125; of 50 cents, to \$10,250; and so on. Is it saying too much to assert that an independence for a child is within the reach and power of almost any one? "But," says the reader, "I may be able to get the money; but how can I get the increase?" We say, Read on; you will find out that in time as you progress.

Now, young boy or girl, there is a word to be said to you. Clothing first costs money, and it costs money also to replace it. If you had a \$10 bill, would you sit down and rub it out on the pavement till you had nothing of it left? Would you consider any one sane whom you should see doing such a thing? What would you think, then, of one who would thus use a \$100 or \$200 bill? It is easy to tell what you would say if you saw any one doing such a thing, that he was out of his mind or sadly wanting in intellect. If he had a fortune and could not find objects of charity to bestow it upon, such rubbing out of value might be a justifiable amusement. But if he had not, it is a moral and political wrong; and probably the public charity or that of friends would have to replace the loss or pay the bill. They might do the same, in result, with dress, and your foolish notions might regard them as stylish. The reader is left to finish up the balance of the argument.

The child, however, should regard his apparel as so many bank bills, and use it accordingly. If the child

rips, tears, uselessly wears out, or destroys his clothing, he does no better or worse than he who sits upon the sidewalk and rubs out a bank-bill, and has nothing to show for it but his folly. Then, to make money, be careful of what you have; use good clothing for the best purposes, and old for uses where the new would be destroyed or uselessly defaced. Think of the bank-bills on your back, and think how long you can make them last and look fresh and appropriately neat. It is but a common event to damage your dress ten dollars in a day; this, in fifty years, would produce about two hundred dollars — a quite heavy loss, and, if saved, an equally large gain.

The same care and thought should be had about all things which are useful and cost money; and he will probably have more of this world's goods and be quickest independent of labor who attends most closely to such suggestions.

No expenditure should be made by parent or child, if neither has yet attained an independence, without first considering the cost, as referred to in that scale — not what it costs to-day, but what it costs on the day fixed for the independence. If the same amount of thought, energy, time, toil, and sacrifice, be made in properly spending, investing, and generally caring for money after it is got, as there is in getting it, there would be no danger as to the result. None would be without an independence, few without a fortune, and none in distress, poverty, or want, who could gain employment.



CHAPTER V.

BUSINESS QUALITIES.

I have no idea of a merchant acquiring fortune as a general wins a battle, at a single blow.

NAPOLEON.

It seldom happens that great fortunes are made by any one regularly established and well-known branch of business, but in consequence of a long life of industry, frugality, and attention.

ADAM SMITH.

It can not be denied but outward accidents conduce much to success, — favor, opportunity, occasion, — but chiefly the mould of a man's fortune is in his own hands.

LORD BACON.

Do you wish to be great? Then begin by being little. Do you desire to construct a vast and lofty fabric? Think first about the foundations of humility. The higher your structure is to be, the deeper must be its foundations. Modest humility is Beauty's crown.

ST. AUGUSTINE.



It is not the intention of this chapter to attempt a profound and exhaustive analysis of the human mind, after the manner of the mental philosophers, or even to set forth all the qualities of mind and heart that may contribute to business success. It is simply desired to mention the more prominent of them, and mainly to

furnish some excellent illustrations of their character and desirability, derived from successful men and from some of the best authors of the age.

Probably few persons who are actually engaged in business, or who are contemplating a business career, have not a tolerably correct idea of the faculties, energies, and characteristics that will be necessary to their success. From time immemorial writers, orators, talkers, have harped upon these and quoted the time-honored proverbs and maxims that enjoin them. But it is one thing to know: another to do. We daily see persons very fully possessed of the knowledge specially belonging to some department of life and work, yet who persistently neglect it, often to their own destruction. The minister of the Gospel, knowing all the precepts of the loftiest Christian morality, may yet violate them all, and fall miserably and forever from his high place. The physician for our bodies may be familiar, as he should be, with the entire circuit of anatomical and physiological knowledge and the rules of health, and still be a confirmed drunkard, opium-eater, or glutton, or indulge in other destructive vices, and so go to an untimely and dishonored grave. Similarly we observe men in business, who know perfectly well the importance of industry, frugality, accuracy, and the rest of the practical virtues, but who are going straight to pecuniary ruin because they are trying to achieve success in defiance of them.

This will not do in the affairs of our time. As Mr. Carlyle very truly says, "The race of life has become intense; the runners are treading upon each other's heels. Woe to him who stops to tie his shoe-strings!" And Prof. Mathews: "The path of success, never 'a primrose path of dalliance,' is steeper and more thorny to-day than ever before. Never before in the world's history was competition in every calling and pursuit so fierce as now; never did success, in more than a moderate degree, demand for its attainment such a union of physical and intellectual qualities, — of alertness, activity, prudence, persistence, boldness, and decision, — as in this latter half of the nineteenth century. . . . In spite of the occasional triumphs of mediocre men and charlatans, the rule still holds that the men who make their way to the front, becoming rich or famous by force of their personal characters, must have something more in them than impudence; and even the Hudsons and Fisks could not have won their positions without some sterling qualities, however alloyed with their opposites." *

Our object just now, then, is not to enter into a disquisition upon so much of mental and moral philosophy as may be involved in the conduct of affairs; but rather to get practical knowledge of this kind, in the minds of our readers, supplemented by doing — to secure on their part a ready and sure application of

* "Getting on in the World," pp. 4, 5.

precepts, principles, rules, and maxims to the business facts and problems with which they are or are to be confronted. We desire that the importance — indeed, the absolute necessity — of certain commanding qualities shall be so set out, mainly in the testimony of the successful or famous among men, that all along through the business career of the reader he shall bear them in mind, and act closely in accordance with their dictates. As a writer in *Hunt's Merchant's Magazine* puts it, "What most men lack is not rules, but the energy to apply them at the right moment; not moral principles, but moral presence of mind; — and this is self-possession, self-reliance. 'Woe unto him that is faint-hearted,' says the son of Sirach."

We name, then, as first in a convenient order of consideration, if not really first in importance, —

I. COURAGE AND SELF-RELIANCE. It is a very serious thing for one even to contemplate and plan a business career, much more to be engaged in its actual cares, perplexities, and toils. "All beginnings are difficult," says a German proverb; and the young man who stands upon the shore, awaiting and yet dreading the plunge into the cold waters of the world's work, has need at the very outset to fortify his courage and strengthen his heart for the exigencies and emergencies, the perils and trials, that are in his immediate as well as remoter future. As he draws his sword for the battle before him, he will do well to write upon it the

inscription on the scimitar of Mohammed, "Fear and want of conscience bring disgrace. Forward lies honor. Cowardice saves no man from his fate."

"How much," says Mr. Smiles, in his noble book on "Duty," "is lost to the world for want of a little courage! We have the willingness to do, but we fail to do it. The state of the world is such, and so much depends on action, that everything seems to say loudly to every man, 'Do something; do it, do it.' The poor country parson, fighting against evil in his parish, against wrong-doing, injustice, and iniquity, has nobler ideas of duty than Alexander the Great ever had. Some men are mere apologies for workers, even when they pretend to be up and at it. They stand shivering on the brink, and have not the courage to plunge in. Every day sends to the grave a number of obscure men who, if they had the courage to begin, would in all probability have gone great lengths in the career of well-doing."

And Lord Bacon also finely says, "Self-reliance and self-denial will teach a man to drink out of his own cistern and eat his own sweet bread, and to learn and labor truly to get his own living, and carefully to save and expend the good things committed to his trust."

Yet the injunctions to courage and self-reliance are not to be received without some qualification. Courage must not go to the harmful extent of invincible stubbornness, deaf to reason or prudence, nor of utter rashness and fool-hardiness. It is sometimes necessary to

entertain even a judicious fear, and very often a hesitating caution. Remember the saying of Napoleon, "To succeed, one must sometimes be very bold, and sometimes very prudent." Sir Arthur Helps writes in one of his admirable books of "the best temperament — namely, a combination of the desponding and resolute, or, as I had better express it, of the apprehensive and resolute. Such is the temperament of great commanders. Secretly, they rely upon nothing and upon nobody. There is such a powerful element of failure in all human affairs that a shrewd man is always saying to himself, 'What shall I do, if that which I count upon does not come out as I expect?' This foresight dwarfs and crushes all but men of great resolution."

Thus it is seen that a reasonable caution — fear, if you like — is not inconsistent with a final determination that involves the highest and most persistent courage. Indeed, without cautious calculation, wise (however hesitating) prevision, and preparation against every contingency that may bring failure, courage may easily become headstrong rashness, unreasoning folly, ultimate if not early ruin. Hearken to the testimony of two of the most remarkable men in business history :

"Among the maxims of the elder Rothschild was one, an apparent paradox, 'Be cautious and bold.' This seems to be a contradiction in terms; but it is not, and there is great wisdom in the maxim. It is,

in fact, a condensed statement of what I have already said. It is to say, 'You must exercise your caution in laying your plans, but be bold in carrying them out.' A man who is all caution will never dare to take hold and be successful; and a man who is all boldness is merely reckless, and must eventually fail. A man may go on 'change and make fifty or one hundred thousand dollars in speculating in stocks, at a single operation. But if he has simple boldness without caution, it is mere chance, and what he gains to-day he will lose to-morrow. You must have both the caution and the boldness, to insure success." *

Happy is he who has natively, or acquires by education or circumstances, this fortunate combination of qualities, and adds to them the courage which never flags or fails to the triumphant end. Said Sir Thomas Fowell Buxton, "The longer I live, the more I am certain that the great difference between men, between the great and the insignificant, is energy, invincible determination, an honest purpose once fixed, and then death or victory. This quality will do anything in the world; and no talents, no circumstances, will make a two-legged creature a man without it." This will even rescue the courageous from what to other men would be hopeless despondency and utter wreck. "Never despair," said Burke to his friend Wickham; "but if you do, work in despair."

* P. T. Barnum, "The Art of Money Getting."

"Never go gloomily, man with a mind;
 Hope is a better companion than fear;
 Providence, ever benignant and kind,
 Gives with a smile what it takes with a tear.
 All will be right!
 Look to the light!
 Morning is ever the daughter of Night;
 All that is black will be all that is bright.

"Many a foe is a friend in disguise,
 Many a sorrow a blessing most true,
 Helping the heart to be happy and wise,
 With love ever precious and joys ever new.
 Stand in the van!
 Strive like a man!
 Trusting in God while you do what you can,—
 This is the bravest and cleverest plan."

Plans of action formed, courage and self-reliance summoned to the fight, the next imperative quality is—

II. INDUSTRY. As Lord Clarendon remarked many generations ago, "There is no art or science that is too difficult for industry to attain unto. It is the gift of tongues, and makes a man understood and valued in all countries and by all nations. It is the philosopher's stone, that turns all metals and even stones into gold and suffers no want to break into dwellings. It is the Northwest passage, that brings the merchant's ships as soon to him as he can desire. In a word, it conquers all enemies, and makes Fortune itself pay contributions." In the ancient philosophical dialogue entitled "Economy," which Xenophon wrote down for the instruction of the ages, Socrates is recorded as asking, "How is it that some men live in abundance

and have something to spare, while others can scarcely obtain the necessities of life, and at the same time run into debt?" To this Isomachus makes wise reply: "Because the former occupy themselves with their business, while the latter neglect it." This lesson from the Athens of twenty-three centuries ago is equally sound for the communities of to-day. As a later but still old writer (Dr. South) remarks, "It is idleness that creates impossibilities; and where men care not to do a thing, they shelter themselves under a persuasion that it can not be done. The shortest and the surest way to prove a work possible is to set about it, and no wonder if that proves it possible that for the most part makes it so."

But it is needless to descant upon the virtues of industry and the vices of idleness. Enough, perhaps, has already been said about them in a previous chapter. Most persons agree with the view of Bacon: "Men must know that in this theatre of life it remaineth only to God and angels to be lookers-on;" and in the precept of Sydney Smith: "Let every man be occupied, and occupied in the highest employment of which his nature is capable, and die with the consciousness that he has done his best." The testimony of the great Gladstone, England's noblest premier and finest orator, is this: "Believe me when I tell you that thrift of time will repay you in after-life with a usury of profit beyond your most sanguine dreams, and that the waste of it will make you dwindle, alike

in intellectual and in moral stature, beyond your darkest reckonings."

Dr. Franklin was in his day the eminent apostle of industry, and he fortunately left to posterity the fruits of his ripest experience and best thought. Said he at one time: "I spent no time in taverns, games, or frolics of any kind; and my industry in my business continued as indefatigable as it was necessary. I was indebted for my printing-house; I had a young family coming to be educated; and I had two competitors to contend with in business, who were established before I was. My circumstances grew daily easier. My original habits of frugality continuing, and my father having among his instructions to me when a boy frequently repeated to me a proverb of Solomon, 'Seest thou a man diligent in his business? He shall stand before kings,' I thence considered industry as the means of obtaining wealth and distinction, which encouraged me, though I did not think that I should ever literally stand before kings; which, however, has since happened, for I have stood before five, and even had the honor of dining with one, the king of Denmark."

Elsewhere he says in his epigrammatic, axiomatic way: "We need not wish; and he that lives upon hopes will die fasting. There are no gains without pains; then help hands, for I have no lands—or if I have, they are smartly taxed. He that hath a trade, hath an estate; and he that hath a calling hath an office

of profit and honor; but then the trade must be worked at and the calling followed, or neither the estate nor the office will enable us to pay our taxes. If we are industrious we shall never starve, and the way to wealth is as plain as the way to market. It depends chiefly on two words, industry and frugality: that is, waste neither time nor money, but make the best use of both. Without industry and frugality nothing will do, and with them everything. Sloth makes all things difficult, but industry all easy; and he that riseth late must trot all day, and shall scarce overtake his business at night, while laziness travels so slowly that poverty soon overtakes him."

The following amusing anecdote is related of this practical philosopher and shrewd business man, as illustrating his industry and sense of the value of time:

"One fine morning when Franklin was busy preparing his paper for the press, a loungee stepped into the store and spent an hour or more looking over the books, etc.; and finally, taking one in his hand, asked the shop-boy the price.

"‘One dollar,’ was the answer.

"‘One dollar!’ said the loungee; ‘can’t you take less than that?’

"‘No, indeed; one dollar is the price.’

"Another hour had nearly passed, when the loungee said,—

"‘Is Mr. Franklin at home?’

"‘Yes; he is in the printing-office.’

“‘I want to see him,’ said the loungee.

“The shop-boy immediately informed Mr. Franklin that a gentleman was in the store waiting to see him. Franklin was soon behind the counter, when the loungee, with book in hand, addressed him thus:—

“‘Mr. Franklin, what is the lowest you can take for that book?’

“‘One dollar and a quarter,’ was the ready answer.

“‘One dollar and a quarter! Why, your young man asked me only a dollar.’

“‘True,’ said Franklin, ‘and I could better have afforded to have taken a dollar then, than to have been taken out of the office.’

The loungee seemed surprised, and, wishing to end the parley of his own making, said,—

“‘Come, Mr. Franklin, tell me what is the lowest you can take for it.’

“‘One dollar and a half.’

“‘A dollar and a half! Why you offered it yourself for a dollar and a quarter!’

“‘Yes,’ said Franklin; ‘and I had better have taken that price then, than a dollar and a half now.’

“The loungee paid down the price and went about his business, if he had any, and Franklin returned to the printing-office.”

A later and in some respects more pleasing writer says:

“Everything in nature and grace is active, full of life and motion on the wing. The sun, the moon, the

sparkling heavens, the floods, the rippling brooks, and flowing founts; the birds warble on every tree, in ecstasy of joy; the tiny flower, hidden from all eyes, sends forth its fragrance of full happiness; the mountain stream dashes along with a sparkle and murmur of pure delight. The object of their creation is accomplished, and their life gushes forth in harmonic work. O plant! O stream! worthy the admiration of the wretched idler. Idleness is the bane, the moth, the gangrene, the curse of life.

“ ‘Dream not, but work ! Be bold, be brave !
Let not a coward spirit crave
Escape from tasks allotted !
Thankful for toil and danger be;
Duty's high call will make thee flee
The vicious, the besotted.’ ”

III. METHOD. Industry must be well-directed. Order is Heaven's first law. Some men are exceedingly industrious; but they waste their energies by want of method — they “trot all day in a half-bushel.” Some of the most brilliant geniuses that ever lived — Coleridge, De Quincey, Mackintosh, and others — accomplished nothing really worthy of their powers for lack of this quality, and left their work only in splendid fragments; while many a man with fine business qualities in other respects has gone to ruin for a similar reason.

Thorough-going, minute, methodical system, indeed, is an indispensable requisite to the business man. As Mr. Freedley suggests, in his valuable “Treatise on

Business," "Arrangement digests the matter that industry collects. It apportions time to duties, and keeps an exact register of its transactions. It has a post for every man, a place for every tool, a pigeon-hole for every paper, and a time for every settlement." An interesting statement is made of the eminent Jeremiah Evarts, father of the Hon. William M. Evarts, of New York, and in his day one of the most useful of Christian philanthropists and scholars, by one of his most intimate friends :

"During years of close observation in the bosom of his family, I never saw a day pass without his accomplishing more than he expected ; and so regular was he in all his habits that I knew to a moment when I should find him with his pen and when with his tooth-brush in his hand, and so methodical and thorough that though his papers filled many shelves when closely tied up, there was not a paper among all his letters, correspondence, editorial matter, and the like, which he could not lay his hands on in a moment. I never knew him to search for a paper ; it was always in its place."

In a contrary case Curran, Master of the Rolls, said to his eloquent fellow-countryman, "You would be the greatest man of your age, Grattan, if you would buy a few yards of red tape and tie up your bills and papers."

Professor Mathews makes an interesting collection of testimonies in behalf of this quality. He says :

"The habit of method is essential to all who have much work to do, if they would get through it easily and with economy of time. Fuller, the old divine, says to those who would remember what they read, 'Marshal thy notions into a handsome method. One will carry twice more weight trussed and packed up in bundles, than when it lies untowardly flapping and hanging about his shoulders.' Cecil, who was a prodigious worker, has a similar hint. 'Method,' he says, 'is like packing things in a box: a good packer will get in half as much again as a bad one.' The biographer of Noah Webster tells us that method was the presiding principle of his life; and it is evident that without it he never could have got through with the herculean task of compiling his great dictionary. Coleridge, though himself one of the most unmethodical of men, yet thought so highly of method that he wrote a treatise on it for the Encyclopedia Metropolitana. It is said that Whitefield could not go to sleep at night if, after retiring, he remembered that his gloves and riding-whip were not in their usual place, where he could lay his hands upon them in the dark or any emergency. Napoleon, who astonished the sovereigns of Europe at the Congress of Erfurt by the minuteness of his knowledge of historic dates, was an eminently systematic man. He used to say that his knowledge was all deposited in drawers, and he had only to open a particular drawer, and all that he had learned on a subject was ready to his hand.

"There is no business which does not demand system. The meanest trade exacts it, and will go to ruin without it. But in a complicated business it is indispensable. It is this that binds all its parts together, and gives unity to all its details. Without it the vast energies of the great merchant who gathers and distributes the products of every clime, linking the four quarters of the globe by his far-reaching agencies, would be an impossibility. Commissioners of insolvency say that the books of nine bankrupts out of ten are found to be in a muddle—kept without plan or method. Let every young man, therefore, see to it that his work is systematized, arranged according to a carefully studied method, which takes up everything at the right time and applies to it adequate resources." *

IV. Closely allied to the virtue of Method is that of PUNCTUALITY.

"Method is the hinge of business; and there is no method without punctuality. Punctuality is important, because it subserves the peace and good temper of a family. The want of it not only infringes on necessary duty, but sometimes excludes this duty. The calmness of mind which it produces is another advantage of punctuality. A disorderly man is always in a hurry. He has no time to speak to you because he is going elsewhere; and when he gets there he is too late for his business or he must hurry away to another

* "Getting on in the World," pp. 166, 167.

before he can finish it. Punctuality gives weight to character. 'Such a man has made an appointment; then I know he will keep it.' And this generates punctuality in you; for, like other virtues, it propagates itself. Servants and children must be punctual when their leader is so. Appointments, indeed, become debts. I owe you punctuality if I have made an appointment with you, and have no right to throw away your time, if I do my own." *

Louis XIV. said, "Punctuality is the politeness of kings;" Alexander Pope, in the familiar line: "Procrastination is the thief of time;" Sir Walter Scott: "When a regiment is under march, the rear is often thrown into confusion because the front does not move steadily and without interruption. It is the same thing with business. If that which is first in hand be not instantly, steadily, and regularly despatched, other things accumulate behind, till affairs begin to press all at once, and no human brain can stand the confusion." Lord Nelson attributed all his good fortune, on land and sea, to his having been invariably a quarter of an hour ahead of his time. A famous London publisher, the extremes of whose life are indicated in his own remark that he "had lodged with beggars, and had the honor of presentation to royalty," placed punctuality first among the promoters of his success. Napoleon, it is said, consulted his watch as carefully as he did the

* Joseph B. Baxendale, "Run-and-Read Sermons."

map of his battle-field. But it was his loss of time before the action of Ligny and after the defeat of Blucher that cost him the fatal defeat of Waterloo, as it was the energy and punctuality of Blucher on that ill-starred day that saved Wellington from overthrow.

The business man, indeed, needs a very different sort of watch from that of Captain Outtle in Dickens' story: "If he could only remember to set it ahead half an hour in the forenoon, and back a quarter of an hour in the afternoon, it would keep time with anybody's watch." General Washington taught the young Colonel Hamilton, his secretary, a memorable lesson when the latter pleaded a slow watch in excuse of five minutes lateness: "Then, sir, either you must get a new watch, or I must get a new secretary." The fact is, hardly any business trait is more valuable, in giving one reputation among his fellows and saving him at times from important defeats, than that of punctuality.

V. Another important result of method is likely to be **ACCURACY**. It is expected of book-keepers and accountants that they will be exact to a cent; and in many establishments the variance of a very few cents in the annual balancing of the books will cost the unlucky blunderer his place. It is hardly less important that all other employees, and the heads of the house themselves, should be models of correctness in all their transactions. Says Sir Arthur Helps: "I do not

know that there is anything, except it be humility, which is so valuable an incident of education as accuracy. And accuracy can be taught. Direct lies told to the world are as dust in the balance when weighed against the falsehoods of inaccuracy. These are the fatal things; and they are all-pervading. I scarcely care what is taught to the young, if it will but implant in them the habit of accuracy." President Tuttle, of Wabash College, gives important testimony in the following: "The accurate boy is always the favored one. Those who employ men do not wish to be on the constant lookout, as though they were rogues or fools. If a carpenter must stand at his journeyman's elbow to be sure his work is right, or if a cashier must run over his book-keeper's column, he might as well do the work as employ another to do it in that way; and it is very certain that the employer will get rid of such an inaccurate workman as soon as he can."

This single matter of accuracy is sometimes made the test of fitness for business. "A Detroit merchant needing a book-keeper stated a supposed error in the books, and asked each applicant for the position how he would go to work to correct it. One answered this way, another that; each one had a theory, and some of them were very ingenious. But none of them suited the merchant, and their services were declined. At last a young man came who, after listening to the supposed error, informed the merchant that he should correct it by never making the mistake in

the first place; and he was the man the merchant wanted. Not one who was skillful in correcting, but one who did not make errors, was what the merchant was looking after." *

VI. Another incident of a good method is the ability to give ATTENTION TO DETAILS. The great masters in the world's work, the kings of business, the generals in peace or war, are usually characterized by a high degree of this. To quote Helps again: "My man who is to succeed must not only be industrious, but, to use an expression of a learned friend of mine, he must have 'an almost ignominious love of details.'" "Some years ago an Eastern merchant, who had amassed a large fortune, was asked to what he attributed his success. Was it to mere chance? No; for other men had even better luck, yet did not get rich. Was it to industry? Not wholly; for many persons as indefatigable as himself had remained poor. Was it to energy? Only in part; for he had observed that even the most energetic men sometimes failed. But if there was any one thing to which, more than to others, he could attribute his wealth, it was that he had made it a point never to neglect the details of his business. Many business men, he added, content themselves with planning. Regarding comprehensive views as incompatible with scrupulous attention to small matters, they leave the execution of

* Maher, "On the Road to Riches."

their schemes to subordinates ; and the result is that, in the majority of cases, their plans fall through in consequence of the neglect of some clerk or other employee, and they remain forever at the foot of the ladder." *

VII. A highly important quality of the business man is TACT. This, by the derivation of the word, is "touch;" and, transferring the idea from the domain of the physical to a more intangible and spiritual realm, the definition is thus supplied. It is the faculty of adaptation, the power readily to adjust means and ends to circumstances, to deal with the individual, if need be, as quite unlike all other men or women in the world. As such it is a trait of very great importance, and may contribute largely to one's success, as the absence of it, total or partial, may drag one down to failure. The man of business, meeting all classes and all varieties of his fellow-men, may better lack talents than tact. "Talent," says somebody, "knows *what* to do: tact knows *how* to do it. Talent makes a man respectable: tact will make him respected. Talent is wealth: tact is ready money. For all the practical purposes of life, tact carries it against talent ten to one. Talent has many a compliment from the bench, but tact touches fees from attorneys and clients. Talent speaks learnedly and logically, tact triumphantly. Talent makes the world

* Mathews, "Getting on in the World," p. 107.

wonder that it gets on no faster : tact excites astonishment that it gets on so fast. And the secret is that it has no weight to carry ; it makes no false steps, it loses no time, it takes all hints, and by keeping its eye on the weathercock is able to take advantage of every wind that blows."

"Tact clinches the bargain,
Sails out of the bay,
Gets the vote in the Senate
Spite of Webster or Clay."

RALPH WALDO EMERSON.

VIII. Intimately related to this is an invaluable PRACTICAL FACULTY, or an ability to apply principles to cases, to range cases under their proper principles, to use one's knowledge and experience to the best advantage in the handling of affairs. Many fine scholars, able writers, eloquent speakers, clear thinkers, and all that, are sadly wanting in this. It is related of four persons who were associated in the labors of a sheep-farm in "the bush" of Australia, that three of them, common shepherds there, were graduates respectively of Oxford, Cambridge, and a German university, while the fourth, their rich employer, was a rude, untutored squatter hardly able to read and write, and not at all able to keep his accounts. "Men have ruled well," said Sir Thomas Browne, "who could not perhaps define a commonwealth ; and they who understand not the globe of the earth command a great part of it." Similar truths may be said of those who rule in business.

IX. Here seems to be the place to mention JUDGMENT, as one of the regnant faculties of the world. Hardly anything else gives one a better standing among his fellows, than the reputation of possessing a good judgment. It is especially necessary, in the first instance, in making choice of a profession or business. "The most important thing in life," wrote Pascal the great French thinker, "is the choice of a profession ; and it certainly is an embarrassing one to any person sensible of its importance."

"There 's the marble, there 's the chisel,
Take it, work it to thy will;
Thou alone must shape thy future,—
Heaven send thee strength and skill."

Says Emerson: "The crowning fortune of a man is to be born with a bias to some pursuit which finds him in employment and happiness." Dean Swift: "It is an uncontroverted truth that no man ever made an ill figure who understood his own talents, nor a good one who mistook them." Sydney Smith: "Be what nature intended you for, and you will succeed ; be anything else, and you will be ten thousand times worse than nothing." And again, in his witty way: "If you choose to represent the various parts in life by holes in a table of different shapes,—some circular, some triangular, some square, some oblong,—and the persons acting these parts by bits of wood of similar shapes, we shall generally find that the triangular person has got into the square hole, the oblong

into the triangular, while the square person has squeezed himself into the round hole." Bulwer: "One of the first principles of success in life is so to regulate our career as rather to turn our physical constitution and natural inclinations to good account, than to endeavor to counteract the one or oppose the other." Prof. Mathews: "The first thing to be done by him who would succeed in life is to make a wise choice of a profession."

Another and exceedingly important use of the judgment in business is in determining when to take advantage of favoring circumstances. Shakspeare must have had this faculty in mind when he wrote:

"There is a tide in the affairs of men
Which, taken at the flood, leads on to fortune;
Omitted, all the voyage of their life
Is bound in shallows and in miseries."

A striking instance of the exercise of judgment at precisely the right time is that of Lundy Foot, the celebrated snuff manufacturer of Dublin, who originally kept a small tobacconist's shop at Limerick, Ireland. One night his house, which was uninsured, was burnt to the ground. As he contemplated the smoking ruins on the following morning, in a state bordering on despair, some of the poor neighbors, groping among the embers for what they could find, stumbled upon several canisters of unconsumed but half-baked snuff, which they tried and found so grateful to their noses that they loaded their waistcoat pockets with the spoil.

Lundy Foot, roused from his stupor, at length imitated their example and took a pinch of his own property, when he was instantly struck by the superior pungency and flavor it had acquired from the great heat to which it had been exposed. Treasuring up this valuable hint, he took another house, in a place called "Black Yard," and preparing a large oven for the purpose, set diligently about the manufacture of that high-dried commodity which soon became known as "Black Yard snuff," a term subsequently corrupted into the more familiar word "Blackguard." Lundy Foot, making his customers pay liberally through the nose for one of the most distinguished kinds of snuff in the world, soon raised the price of his production, took a larger house in the city of Dublin, and was often heard to say, "I made a very handsome fortune by being, as I supposed, utterly ruined." *

Many other illustrations might be adduced, showing the frequent and vital necessity of a well-trained judgment in business affairs ; but these are sufficient.

X. The judgment has much to do in promoting and confirming DECISION OF CHARACTER. John Foster, who wrote an elaborate essay upon this one theme, which has become the standard work on the subject, says of it, "A man without decision can never be said to belong to himself ; since, if he dared to assert that he did, the puny force of some cause about as power-

* Hunt's Merchant's Magazine.

ful, you would have supposed, as a spider, may make a seizure of the unhappy boaster the very next moment, and contemptuously exhibit the futility of the determinations by which he was to have proved the independence of his understanding and will. He belongs to whatever can make capture of him; and one thing after another vindicates its right to him by arresting him while he is trying to go on, as twigs and chips, floating near the edge of a river, are intercepted by every weed and whirled in every little eddy. Having concluded on a design, he may pledge himself to accomplish it, if the hundred diversities of feeling which may come within the week will let him. His character precluding all foresight of his conduct, he may sit and wonder what form and direction his views and actions are destined to take to-morrow, as a farmer has often to acknowledge that next day's proceedings are at the disposal of its winds and clouds."

XI. PROMPTNESS. This is a near relative of decision, and largely gives it value. The man of ready, clear judgment and decisive nature is quite sure to be a prompt man. He will thus gain an excellent reputation for alertness of mind and action, and save much valuable time. "We take no note of time," says the poet, "but from its loss."

Some remarkable examples of promptness are on record. Several of them are thus collected by Professor Mathews: "When Ledyard was asked by the

African Association when he would be ready to start for Africa, he replied, 'To-morrow morning.' A similar answer was made by Sir Colin Campbell, when asked when he would set out to lead the British army to India. It was the promptness of Blucher that won for him the cognomen of 'Marshall Forward' throughout the Prussian army." We have previously referred to the energy and punctuality of this officer as saving the day for Wellington's army at Waterloo.

XII. Decision, however, needs sometimes to be offset by PRUDENCE. When courage, decision, promptness, become rashness, they may do the possessor infinitely more harm than comes to the cautious and conservative almost destitute of these qualities. As the Scripture saith, "A prudent man foreseeth the evil, and hideth himself; but the simple pass on and are punished." True, as another has put it, "there is nothing so imprudent as excessive prudence;" yet a due measure of this quality is absolutely indispensable to the safe conduct of business.

"Shun all rash acts. Let moderation mark
Each enterprise in which you may embark;
And from your mind ne'er let there be effaced
The old yet startling proverb, 'Haste makes waste'."

It is especially necessary in planning for the future; indeed, the very word means providing or providence, and that means foresight. "Life without a plan seems merely as a soil for discontent to thrive in." "Think-

ing," says Reade, "underlies all successful enterprises. It will be found in ninety-nine cases out of a hundred, that wealth is the result of calculation and plan, coming of continuous, clear, solid brain-work." *

One of the most useful ways in which prudence can manifest itself is in the care of one's person and the choice of one's associates. Chief Justice Hale was accustomed to give his judgment of young men simply from his observation of their care or neglect in dressing according to the weather. Upon the other point the Rev. Dr. J. W. Alexander says:

"Homely but golden is the old saying of the Spaniard, 'Tell me what is your company, and I will tell you what you are.' The first company to which a young clerk really attaches himself often fixes his career. This, however, he often falls into at random, or more frequently has not decision of character to cast off when detected. Among many things which render bad company poisonous, one of the saddest is the extreme difficulty of getting rid of an insidious villain. In the position which I occupy, I am constantly observing that this or that youth is held down by the weight of evil comrades. To shake them off is a Herculean task; the ill attachment sticks like the shirt of Nessus. Indeed, solitary amendment is often easier than disentangling one's self from corrupting alliance. Has my reader ever known a young man to remain

* "Money, and How to Make It."

virtuous in vicious society? Mark here the powerful argument for securing good companions."

XIII. Another manifestation of prudence may perhaps be best considered separately as RETICENCE. It one of the most important traits of the shrewd business man. As the Scotch poet advises,—

"Aye free off-han' your story tell,
When wi' a bosom crony ;
But still keep something to yoursel'
Ye scarcely tell to ony."

The great Girard said that during his long commercial experience he had noticed that no advantage resulted from telling one's business to others, except to create jealousy or competition when we are fortunate, and gratify our enemies when otherwise. Barnum, the wonderfully successful showman, in his amusing and instructive lecture on the Art of Money-getting, recommends as follows: "Don't blab. Some men have a foolish habit of telling their business secrets. If they make money they like to tell their neighbors how it was done. Nothing is gained by this, and oftentimes much is lost. Say nothing about your profits, your hopes, your expectations, your intentions. And this should apply to letters as well as to conversation. Goethe makes Mephistopheles say, 'Never write a letter nor destroy one.' Business men must write letters, but they should be careful what they put in them. If you are losing money, be specially cau-

tious and not tell of it, or you will lose your reputation."

"Said a merchant to me while we were talking on this subject: 'Boys will blab, and you can not help it. I remember one of my clerks destroyed a very pretty trade I once had in a patent saw. I had no monopoly of it, except from the fact that none of my competitors kept it. I went to work quietly and built up a large trade on it—a trade that paid me a couple of thousand dollars in the season. I cautioned my traveling men to talk about the saw only to our customers, and to do no outside bragging. But I overlooked my entry clerk; I did n't suppose he was going up and down the street telling of the saws we sold; but that is just what he did. He fancied it added to his importance to show that the house was doing a big trade, and so he kept up an admiring tale of our trade in saws, often telling this when among the clerks of my competitors. It was not long till I found the saw with the other houses, and then my sales and profits began to drop. That boy's boasting cost me \$1,500 a year.'

"And what did you do with the boy?"

"At first I thought I'd ship him; but he was a pretty good boy, and I concluded it would be a lesson to him. So I kept him; he's been as dumb as an oyster ever since." *

XIV. PERSEVERANCE. — A case is frequently men-

* Maher, "On the Road to Riches."

tioned in the books, and always honorably, of a man who entered hopefully into business, but opened and closed his store regularly for several weeks without making a single sale. He persevered, however, attracted custom, and finally made his fortune in the business. "Did you ever know anybody," asks Joseph C. Neal, author of the "Charcoal Sketches," "to stick to any kind of business, no matter how unpromising it might be in the beginning, for ten years at most, who did not prosper? Not one, if he stuck to it earnestly and tried nothing else. No matter how hard he found it at times to keep his head above water, still if he persevered he always came out right in the long-run — did n't he? Whatever it might have been at the beginning, at the end of ten years he had made a business for himself." The eloquent William Wirt wrote a fine paragraph on this subject:

"The man who is perpetually hesitating which of two things he will do first, will do neither. The man who resolves, but suffers his resolution to be changed by the first counter-suggestion of a friend, who fluctuates from opinion to opinion, from plan to plan, and veers like a weather-cock to every point of the compass, with every breath of caprice that blows, can never accomplish anything great or useful. Instead of being progressive in anything, he will be at best stationary, and more probably retrograde in all. It is only the man who carries into his pursuits that great quality which Lucan ascribes to Cæsar, *nescia virtus*

stare loco, who first consults wisely, then resolves firmly, and then executes his purposes with inflexible perseverance, undismayed by those petty difficulties which daunt a weaker spirit, that can advance to eminence in any line."

The advice of the Rev. Dr. James W. Alexander is of the soundest: "To be successful and happy costs something. Assure yourself that if you yield to effeminate suggestions you sink. Nobly determine, at the hazard of some weariness and some smart, to pass contentedly through the appointed stages and to become a thorough merchant. Consider how many a man now great in Wall street came to town with all his personal effects in one bundle. Away with homesickness and querulous imbecility! Tear up those whining epistles which you have written home; write rather on your private memorandum, **PERSEVERANCE**. Quash every disposition to make changes, except where they tend to moral benefit or knowledge of business. 'It is ill transplanting a tree which thrives well in the soil.' Let the cheerfulness of a contented mind evince itself in deference and submission to those who control your time, and in uniform good nature and courtesy to your companions in business. With such principles and resolutions, and with reliance on Divine Providence, you may boldly hope. Brace your nerves to meet every engagement, and, however poor, you will succeed. Dismiss from your soul all belief in the divinity of modern pagans, called Luck, and stake

nothing on sudden windfalls. 'In human nature,' says Playfair, 'there is no struggle that appears more unequal at first sight than that of a man without connections or capital against the man who has both; yet there is no contest which so constantly terminates in favor of him who appears to have the disadvantage.'"

"Hast thou been long and often foiled
By adverse wind and seas,
And vainly struggled, vainly toiled
For what some win with ease?
Yet bear up heart and hope and will,
Nobly resolved to struggle still;—
With patience persevere,
Knowing when darkest seems the night
The dawn of morning's glorious light
Is swiftly drawing near."

XV. ENERGY—in the Yankee vernacular, PUSH.
"Whatsoever thy hand findeth to do, do it with thy might. We love our upright, energetic men. Pull them this way and then that way and the other, they only bend, but never break. Trip them down, and in a trice they are on their feet. Bury them in the mud, and in an hour they will be out and bright. They are not ever yawning away existence, or walking about the world as if they had come into it with only half their soul. You can not keep them down: you can not destroy them. But for these the world would soon degenerate. They are the salt of the earth. Who but they start any noble project? They build our cities and rear our manufactories. They whiten the ocean with their sails, and blacken the heavens

with the smoke of their steam vessels and furnace-fires. They draw treasures from the mine. They plow the earth. Blessings on them!"*

XVI. SELF-ASSERTION. Modesty is always to be commended, yet it is not inconsistent with self-respect and a reasonable amount of self-assertion, which has become an indispensable requisite in the sharp competitions of the world. As Milton wrote long ago, "the pious and just honoring of ourselves may be thought the radical moisture and fountain-head from whence every laudable and worthy enterprise issues forth." The poor Scotch weaver prayed daily that he might have a better opinion of himself — meaning, undoubtedly, that he might have better reason for such opinion. Don't be conceited, vain, or arrogant, much less a mountebank or charlatan; but know your own powers, if you have any, and rest your claims to regard and business confidently upon them.

XVII. Certain of the leading mental powers are called strongly into exercise by the accomplished business man. Among these is **MEMORY**, which, indeed, is not to be neglected in any sphere of action, but is of especial use to the man of affairs. Says Sir Arthur Helps, in his *Life of Brassey*, the great railway contractor: "I think it may be observed of all the men who have great powers of mental calculation, or who,

* Hunt's Merchant's Magazine.

as lawyers, statesmen, men of business, or authors, show great readiness in speech or action, or vast memory as regards facts, that they have made it a rule, or at any rate a practice, to rely upon that memory alone, and have not indulged in much writing of notes to subserve the memory. If I am right in this statement,—and I have many memorable examples, such as the late Lord Lyndhurst and the late Baron Rothschild, to adduce in my favor,—it would indicate that in youth great pains should be taken to cultivate the services of that most admirable friend and servant, the memory.”

XVIII. **ATTENTION.** This is another great faculty, of eminent service in the business world. A high degree of it may be called **CONCENTRATION**, the ability to devote one's self, for the time being, intensely to the thing in hand. “This one thing I do,” said Paul the Apostle. “Be a whole man at everything,” advised a famous Englishman to his son at school. The testimony of Charles Dickens to the value of this quality is important. He says:

“Whatever I have tried to do in my life, I have tried with all my heart to do well. What I have devoted myself to, I have devoted myself to completely. Never to put one hand to anything on which I could throw my whole self, and never to affect depreciation of my work, whatever it was, I find now to have been my golden rules.”

XIX. Probably enough has been said to indicate the principal characteristics of a good business mind. This chapter might easily be made to fill a book with the delineation and illustration of all the human powers called into play in the activities of business; but further space need not be given to this matter. As Mr. Freedley justly observes, "Every occupation has some leading essential quality which its follower must have, or success is impossible. The great cardinal powers of business, as they may be called, are **STRENGTH, INGENUITY, GOOD ADDRESS, and STRONG NERVOUS POWER, or ENTERPRISE.** Some occupations require only one of these; others require a combination of them; and others, again, require a combination of some one of these essentials with other qualities, to carry them on with honor and success."

XX. It need scarcely be pointed out how necessary to the powerful exercise of the qualities enumerated by Mr. Freedley—and, indeed, to most of those before given—is **GOOD HEALTH.** This must be preserved at any cost. It is indispensable to the enjoyment of one's business, generally to success in it, and certainly to the enjoyment of the leisure and rest which every one hopes the attainment of wealth will bring to him. Quoting from "Laws of Life," "To the strong hand and strong head, the capacious lungs and vigorous frame, fall, and will always fall, the heavy burdens; and where the heavy burdens fall,

the great prizes fall too." "The first element of success," says Mathews, "needed by him who has wisely chosen his calling, is constitutional talent. By constitutional talent we mean the warmth and vigor imparted to a man's ideas by superior bodily stamina, by a stout physical constitution." This implies good health from the beginning.

XXI. The exercise of these qualities should be so persistent and long-continued as at last, consciously or unconsciously, to become HABIT. The occasional, spasmodic movement of a quality, whether good or bad, has little effect upon the man or the results of his work. Plato rebuked a child for some petty misdemeanor. "This is of no consequence," said the boy; "why do you censure me?" "True," replied the wise man, "your present act is nothing, but HABIT is EVERYTHING." This may well be a motto for the man who would rise to the heights of excellence in anything: make excellence a habit. Says an anonymous writer: "What is business but habit, the soul of which is regularity? Like the fly-wheel upon a steam-engine, it is this principle which keeps the motion of life steady and unbroken, distributing the force equally over all the work to be performed. But such habits as we have commended are not to be formed in a day, nor by a few faint resolutions. Above all, it is necessary that they should be acquired in youth, for then do they cost the least effort. Like letters cut in the

bark of a tree, they grow and widen with age. Once attained, they are a fortune of themselves, for their possession has disposed thereby of the heavy end of the load of life; all that remains he can carry easily and pleasantly. On the other hand, bad habits, once formed, will hang forever on the wheels of enterprise, and in the end will assert their supremacy to the ruin and shame of their victim."

We conclude this section with the admirable definitions of Mr. Freeman Hunt, long editor of Hunt's Merchants' Magazine, of the

HABITS OF A MAN OF BUSINESS.

A sacred regard to the principles of justice forms the basis of every transaction, and regulates the conduct of the upright man of business. He is strict in keeping his engagements; does nothing carelessly or in a hurry; employs nobody to do what he can as easily do himself; keeps everything in its proper place; leaves nothing undone which ought to be done, and which circumstances permitted him to do; keeps his designs and business from the view of others; is prompt and decisive with his customers, and does not over-trade for his capital; prefers short credits to long ones, and cash to credit transactions, at all times when they can be advantageously made, either in buying or selling, and small profits with little risk to the chance of better gains with more hazard. He is clear and

explicit in all his bargains; leaves nothing to the memory which he can and ought to commit to writing; keeps copies of all important letters which he sends away; and has every letter, invoice, etc., belonging to his business titled, classed, and put away. He never suffers his desk to be confused by many papers lying upon it; is always at the head of his business, well knowing that if he leaves it, it will leave him; holds it as a maxim that he whose credit is suspected is not safe to be trusted, and is constantly examining his books, and sees through all his affairs as far as care and attention enable him; balances regularly at stated times, and then makes out and transmits all his accounts current to his customers and constituents, both at home and abroad; avoids, as much as possible, all sorts of accommodations in money matters and lawsuits, where there is the least hazard; is economical in his expenditures, alway living within his income; keeps a memorandum book with a pencil in his pocket, in which he notes every little particular relative to appointments, addresses, and petty cash matters; is cautious how he becomes security for any person, and is generous only when urged by motives of humanity.



CHAPTER VI.

BUSINESS MORALITY.

It has been honestly gotten, and will wear well.

SIR MATTHEW HALE.

He that getteth riches, and not by right, shall leave them in the midst of his days, and at his end shall be a fool.

SOLOMON.

In the long-run, a tried and proved character for truth, honor, and honesty, is the best capital and gives the largest interest. To be sure, these things will not alone push a man forward. He must have good sense, enterprise, skill, perseverance, and steadiness. But more men stumble from want of moral qualities than from want of business sagacity.

HENRY WARD BEECHER.



HE career of many a business and professional man, remarkably well endowed in intellectual qualities and good manners by nature or by education, but lacking in moral principle, exemplifies the wisdom and truth of the last quotation prefixed to this chapter. The pathways of business are strown with the wrecks of "smart men." They were energetic, they were industrious; they knew their business, and met ably and well its technical requirements; they had tact and judgment, and forecast clearly the rising and the fall-

ing markets; but morality was wanting in essential respects, and they went, soon or late, to inevitable ruin. For a time they flourished in fullness and fatness, and then to the business world they died,

“Unwept, unhonored, and unsung.”

Without a sound morality all business would soon become a hollow pretense. As a Philadelphia writer says, “Faith and truthfulness lie at the foundation of trade and commercial intercourse, and business transactions of every kind. A community of known swindlers and knaves would try in vain to avail themselves of the advantages of traffic, or to gain access to those circles where honor and honesty are indispensable passports. The reason why savage hordes are suspected and shunned, is because they are deceitful and treacherous. We have no faith in their promises. If they manifest kindness and friendship, we apprehend it is for the sake of more successfully accomplishing their selfish and malicious purposes. So of cheats and knaves, under whatever circumstances we may meet them. However fair may be their exterior, we know they are black at heart, and we shrink from them as from the most deadly poison. Hence the value which is attached, by all right-minded men, to purity of purpose and integrity of character.”

Amos Lawrence, the great Boston merchant, held that, “as a first and a leading principle, let every transaction be of that pure and honest character that you would not be ashamed to have appear before the

whole world as clearly as to yourself. It is of the highest consequence that you should not only cultivate correct principles, but that you should place your standard so high as to require great vigilance in living up to it."

All kinds of monetary, mercantile, and mechanical business seem particularly open to moral temptations, especially under the strain of intense competition and the prevailing eagerness and haste to be rich. As Mr. Lyndall puts it, "Constant engagement in traffic and barter has no elevating tendency. The endeavor to obtain the upper hand of those with whom we have to deal; to make good bargains; the higgling and scheming, and the thousand petty artifices which in these days of stern competition are unscrupulously resorted to, tend to narrow the sphere and to lessen the strength of the intellect, and at the same time the delicacy of the moral sense. The consequence is that mental and moral obligations have been overlooked and slighted. . . . We would see the spirit of religion introduced into business, and the method and perseverance of business carried into religion." Another equally forcible writer (Mr. Taylor) enlarges well upon this idea: "So manifold are the bearings of money upon the lives and characters of mankind, that an insight which would search out the life of a man in his pecuniary relations, would penetrate into almost every cranny of his nature. He who knows, like St. Paul, both how to spare and to abound, has a

great knowledge; for if we take account of all the virtues with which money is mixed up, — honesty, justice, generosity, charity, frugality, forethought, self-sacrifice, — and of their correlative vices, it is a knowledge which goes near to cover the length and breadth of humanity; and a right measure and manner in getting, saving, spending, giving, taking, lending, borrowing, and bequeathing, would almost argue a perfect man.”

Mr. Freeman Hunt has a good paragraph or two on this subject in his *Merchant's Magazine*. He says: “The life of a man of business gives his character a pretty hard trial. Not only does it exercise his sagacity and prudence, but it puts his integrity to the severest test. He is surrounded by the selfishness of trade; he sees men profit by cunning and fraud, and he is tempted to try his skill in artifice and deception. Every day his honesty is tried in some way. He is thrown back upon his inward principle, and if his heart is hollow and deceitful, he will be sure to show it. And that man has reason to thank God, who has gone through a long course of business, through times of wild speculation and general bankruptcy, and goes down to the grave with the never-shaken consciousness of being an honest man. He who can see others making money by false representations, and never stoop to these tricks of trade, is fitting his own pure mind for a world that is more worthy of him.

“The most heroic virtues of the human character

are brought out in the struggle with inborn selfishness and with the cowardly examples of the world. Men of brave hearts ought to welcome the conflicts and buffetings of life. Every victory they gain will make them stronger, as the tempest which rocks and tears the mountain oak causes it to strike its roots down deeper in the earth and to lift higher its majestic arms toward heaven."

It is not, can not be true, as the practice of many seems to indicate, that the exercise of the severest virtue, and engagement in the highest moral work of the world, are incompatible with the most thorough business qualities and the best success. Says the Rev. Dr. Lyman Abbott, in the excellent little book entitled "How to Succeed": "The successful business men, from the days of Abraham — who started in life as a poor emigrant, and amassed an enormous wealth of herds and flocks and servants—to our own day, have achieved their success by studying, not how they could squeeze the most out of their fellow-men, but how they could achieve the greatest service by their commercial abilities. The founders of the American publishing business [the Harper brothers] were men whose business probity no breath of suspicion ever blurred; and when a destructive fire left them almost as poor as when they began life, the offers of assistance poured in upon them in amount greater than they could utilize. The greatest carpet-dealers in the

United States, if not in the world, are men whose word is as good as a United States bond. The greatest dry-goods dealer of modern times, A. T. Stewart, won his eminence by inaugurating and carrying out principles of honesty in his trade which before had been thought to be wholly impracticable. He who is probably the largest and most successful clothier in the United States is equally well known as a preacher of the Gospel on Sunday-school platforms. The Sunday school dependent on his energy for its success is as characteristic a feature of Philadelphia as his store."

Nor is it true that a reputation for stern, unflinching adherence to principle is a bar to good business fame and to employment, even by those who themselves are loose in their business morality.

"The purest treasure mortal lives afford
Is spotless reputation. That away,
Men are but gilded worms or painted clay."

A president of a bank once dismissed a private clerk because the latter refused to write for him on the Sabbath. The young man, with a mother dependent on his exertions, was thus thrown out of employment, by what some would call an over-nice scruple of conscience. But a few days after, when the president was requested to nominate a cashier for another bank, he recommended this very individual, mentioning this incident as a sufficient testimony to his trustworthi-

ness. "You can trust him," said he; "for he would not work for me on the Sabbath." *

Perhaps the strongest temptations that come to the man of affairs are about him when upon the eve of bankruptcy or passing through its vexatious and harassing processes. It must be said that dishonesty is probably in this class of cases the rule. "To fail rich" has become a familiar saying. It appears to be expected, as quite a matter of course, that he who fails shall provide handsomely for himself and family, no matter at what cost of fraud and falsehood, even to swindling and perjury. Mr. Samuel Smiles uses his graphic pen in his book on "Duty," to set out these truths in strong terms. "Formerly," he says, "greedy and unjust men seized the goods of others by violence; to-day they obtain them by fraudulent bankruptcies. Formerly every attempt was open; to-day everything is secret, until at length the last event comes, and everything is exposed. The man fails; the bills are worthless; the pictures are sold, and the recreant flies to avoid the curses of his creditors. In one bankruptcy case, over £39,000 were stated in the accounts as expenses for orphanages and charities. 'I have the authority of the accountant,' said a speaker at a meeting of the creditors, 'for stating that for four or five years this firm has been purchasing goods to an enor-

* Haines, "Worth and Wealth."

mous extent and flooding the Eastern markets, when they were hopelessly insolvent, carrying on a reckless, I will say a gambling trade for financial purposes, or, in common parlance, to 'raise the wind.' The munificent charity of an insolvent estate appears to me ghastly. It reminds me of a remark of our bishop (of Manchester), that there are some men among us who build churches out of part of their ungodly gains to pave their way to heaven."

On the other hand, or rather at the other extreme, there are no finer examples of a shining, and indeed illustrious, business morality than those in which men that have once been unfortunate and have failed, though honorably, and have recovered fortune, have used their new gains to repay their old creditors, principal and interest, however free they may have been from technical or legal obligations. Such cases have occurred, though all too rarely. One of the most notable was celebrated many years ago by a company of merchants in New York, who met to present a costly and elegant tea-service to Mr. Wilson G. Hunt, of that city, who had failed seven years before, but who had, as soon as possible after his restoration to comparative wealth, and without regard to the terms of his compromise with creditors, paid up the full remainder of their claims, with interest. To this true man the present was made, as an inscription upon it

records, "as a testimonial of their high respect for his just sense of the moral obligation of contracts."

A gentleman in one of the seaboard cities, many years ago, was unfortunate in business, and consequently unable at that time to meet his engagements with his creditors; but after more than twenty years' toil he succeeded in paying every creditor, except one whose residence could not be ascertained, the whole amount due to each. In that twenty years he brought up and educated a large family, but he still owed one of his former creditors. He was not satisfied to keep another's property: he made inquiry, and received information that the party had died some years before. He again pursued his inquiry respecting the administrator, learned his name and residence, wrote to him acknowledging the debt, and requested him to say how he would receive the money. Soon afterwards the representative of the deceased creditor received the whole amount of the debt, principal and interest.*

A still more remarkable case occurs as these pages are passing through the press. Mr. Moses Fraley, a grain-dealer of St. Louis, had been temporarily compelled to suspend payments, with large outstanding obligations in Chicago, New York, Philadelphia, and elsewhere, the whole amounting to \$330,000. He had just sustained losses by the fluctuating of the market, amounting to nearly twice that sum, and

*Hunt's Merchant's Magazine.

would apparently have been justified in accepting the settlement offered him by his creditors, at the low rate of thirty-three and one-third per cent. He declined the tempting proposal, however, and notified all to whom he was indebted that he should pay them in full, one hundred cents on the dollar! Such action is as rare as it is honorable.

The grand principle upon which these and all similar cases rest, is that of the old Roman jurisprudence, *Suum cuique* — to every one his own. It represents the unwillingness of a good man to receive or to keep something for nothing, however fully the technicalities of law might justify him in taking or holding another's property, without recompense. In general, whatever we may expect to hold permanently, must be fairly earned and paid for. To quote Mr. Beecher again: "There is a silent law, of which men are mostly unconscious, that works incessantly in human affairs, and infallibly determines results. It may be called the law of industrial *equivalents*. In the great strife of commercial life, the gains which men seem to make, without having rendered for them a fair equivalent in some shape of work, skill, thought, or other valuable quality, will not build them up. The good old Book cautions men about 'making haste to be rich.' To do one any good, riches must be *earned*. We must render a fair equivalent of service for every hundred dollars."

It is not expected that this chapter will make a complete presentation of the business virtues. Some of them, indeed, usually accounted as belonging to the moral side of humanity, have been treated among business qualities in the preceding chapter. But there still remain certain characteristics, not there enumerated, which must ever be held among the foremost in business morality; and we name them here, as the several qualities were before brought forward, mainly for the purpose of illustration by other authors. Among the most important of these elements or constituents is, —

I. **TRUTH.** “Dare to be true: nothing can ever need a lie;” wrote quaint old George Herbert. “Truth and honesty,” says Mr. Smiles, “show themselves in various ways. They characterize the men of just dealing, the faithful men of business, the men who will not deceive you to their own advantage. Honesty is the plainest and humblest manifestation of the principle of truth. Full measures, just weights, true samples, full service, strict fulfillment of engagements, are all indispensable to men of character.”

To this head also belongs the anecdote of a young and conscientious druggist's clerk, who said to an older Christian friend, “I am required to sell three different articles as medicines, under three different names, to purchasers who suppose them to be distinct things, and who buy them as such for distinct pur-

poses. And yet I take them all out of the same vessel, and they are identically the same thing. How can I honestly practice a deception like this?" Also of the employee in a wholesale grocery store, who remarked, "I am required to pack barrels of sugar with a small proportion of sugar of a finer quality at each end, and the whole of the centre filled up with an inferior kind: how can I do it?" Truly, in the light of such examples of flagrant untruth and fraud as these, one is prepared to understand and appreciate the superb eulogy of Carlyle upon Goethe: "His grand excellency was this, that he was genuine." Better truth, sincerity, frankness, candor, and the like, than almost any other traits of human kind. The philosophy of the old lady in the story may be amusing, but it can hardly be accepted as sound. She is asked how certain people had happened to succeed, and is represented as replying: "By keepin' the specked side down; that 's how they got it, an' that 's how anybody gits anything. That 's how folks git married. O, how don't they keep the specked side down till after the minister 's said, 'Let no man put asunder?' I guess so. An' how do the lawyers win their cases? By keepin' the specked side out of sight of the judge and jury. An' all these great men you read of in the papers, that rule the country, and sit in high places, — how do they ever git up so high in the favor of the people? By keepin' their specked side down. Now, everything human, and everything

natural, has a specked side. It's in the necessity of the case, an' the man that keeps that down, an' puts it out of sight, he 's the man that gits on ; an' the sooner he does understand it, the sooner he does git on."

II. HONESTY. — This is an exceedingly common-place virtue, in theory at least ; but it is oftener absent from business practice than could be wished. The unconfessed, unexpressed faith of not a few, as shown by their works, may be set forth in the following lines :

" The world is a goose: to succeed, you must pick
The feathers off nicely by buying on tick.
The vulgar pickpocket is sent off to jail;
Be polite, give your note, and gracefully fail."

But infinitely better is the instruction of the Rev. Dr. John Todd: "As to the plea which some men make, that it is impossible to do business and be strictly honest, I must say with great frankness that I don't believe a word of it. I believe it is just as practicable to be honest in using property as it is to use the tongue without being profane. I have known men grow old as merchants and manufacturers who were, I have no doubt, strictly honest." Or that of the Rev. Dr. J. W. Alexander, in his address to business men: "No young man ought to look forward to a life of business, if he is conscious that it is hard for him to be honest in the smallest matters. If he would defraud his sisters or brothers, if he would take



FILL YOUR MEASURE.

more than his share in a division, if he ever conceals what falls in his way without actually stealing it at the time, he ought never to go into business. When property is passing through your hands continually, when it is so easy to overcharge here and there, to clip a little here and there, to use what is in your hands with the intention of repaying it, you ought to be very careful to be honest to a mill."

An amusing anecdote is related of the way in which that notorious wag of a by-gone generation, Sam Foote, caught a dishonest innkeeper. He had observed the short measure of the beer served to him at dinner, and calling the landlord he inquired of him, "Pray, sir, how many butts of beer do you draw in a month?" "Ten, sir," replied the publican. "And would you like to draw eleven, if you could?" "Certainly, sir." "Then I will tell you how," said Foote; "*fill your measure!*"

The late A. T. Stewart is referred to, a few pages back in this volume, as a conspicuous example of the application of principles of honesty in business. The following story is related of him:

One day an old lady came into Mr. Stewart's store, and asked a clerk to show her some calicoes. She appeared satisfied with the style and price, but inquired, —

"Will this wash?"

"O, yes, madam," replied the clerk.

"Then I'll take a little piece and try it; and if the colors are fast, I'll get some of it."

"What's the use of taking all that trouble! I have tried it, and I know it holds its color."

The old lady was deceived by his confident though false statement, and ordered a dress pattern from the goods. But Mr. Stewart himself happened, unknowingly to either of the parties, to be an interested hearer of the conversation. He waited, however, till the lady was gone, before he gave the clerk his needed lesson. Stepping up to the counter the great merchant said :

"Mr. —, why did you tell that old lady such an untruth about that calico?"

"O, that's all in the way of business," returned the salesman.

"But that does n't seem a good way of doing business. That lady will try the calico; it will fade; she will come and accuse us of misrepresentation, and demand her money back, and she will be right."

"Oh, then I'll say, 'You are quite mistaken, ma'am. You never got the goods here. You must have got it at the store above,'"

"Well, then, if that's the case," said the master of the business, "don't let it occur again. I don't want goods represented for what they are not. If the colors are not fast, it is easy to explain to them that certain colors are not fast and can not be made so for the price at which they are sold; and *they will buy as soon knowing the truth as any other way.*"

"Look here, Mr. Stewart," said his employee, "if those are going to be your principles in trade, I 'm going to look for another situation. You won't last very long!"

He was as good as his word, so far as the leaving was concerned, and probably never came to anything in business, except to a disastrous end; while Mr. Stewart lived long enough to disappoint very thoroughly the prophecies of his dishonest clerk.

Occasionally a man in business is found who goes even further than the late Mr. Stewart in applying principles of honesty. Another New York gentleman sent for an auctioneer to appraise and purchase a lot of books which he wished to sell. The man thought they might bring one hundred dollars besides expenses of sale, and drew his check for that amount, with which the seller was perfectly satisfied. Upon sale, however, the books proved more valuable than was estimated, and the auctioneer, notwithstanding he had made full purchase of them, wrote to the other, saying that he desired no more than his commission, and enclosed a balance of fifteen dollars which he considered due.

There is no safety, indeed, except in perfect honesty. Money made by any other course of proceeding is sure to incur the Scriptural anathema: "Your gold and silver is cankered, and the rust of them shall be a witness against you." Upon which the old English divine, Fuller, makes the following caustic comment:

"The same word in Greek means both rust and poison, and some strong poisons be made of the rust of metals, but none more venomous than the rust of money in the rich man's purse unjustly detained from the laborer, which will poison and infect his whole estate."

III. INTEGRITY. It is pretty difficult to distinguish between this virtue and that of honesty. By its derivation integrity signifies wholeness or entirety of well-rounded character, and may perhaps be considered the more comprehensive term. It is about the highest praise that can be awarded to a business man, that he is of spotless integrity. Mr. Barnum, in his lecture on "The Art of Money-getting," is very emphatic in his injunctions concerning this. He says: "Preserve your integrity. It is more precious than diamonds or rubies. The old miser said to his sons, 'Get money: get it honestly if you can, but — get money.' This advice was not only atrociously wicked, but it was the very essence of stupidity. It was as much as to say, 'If you find it difficult to obtain money honestly, you can easily get it dishonestly.' Poor fool! Not to know that the most difficult thing in life is to make money dishonestly; not to know that our prisons are full of men who attempted to follow this advice; not to understand that no man can be dishonest without soon being found out, and that when his lack of principle is discovered nearly every avenue to success is closed against him forever. The public very properly

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ANTI-MONOPOLY.

shun all whose integrity is doubted. No matter how polite and pleasant and accommodating a man may be, none of us dare deal with him if we suspect 'false weights and measures.' Strict honesty not only lies at the foundation of all success in life financially, but in every other respect."

It is recorded to the lasting honor of the late William Gray, of Boston, that "the agents or shipmasters whom he employed were always cautioned, in the plainest language, against infringing in the slightest degree upon the revenue laws of any nation; and if it came to his knowledge that his orders in this particular had not been strictly obeyed, even if the departure from the strict line of rectitude had been dictated solely by the desire of the captain or supercargo to promote the interest of his employer, the offender was promptly dismissed, with disgrace, from his service. And this was but a part of the system of integrity which entered into all his actions, and which should always constitute the basis of the character of a mercantile man." *

IV. **ANTI-MONOPOLY.** It may be justly held that the exercise of a perfect integrity will forbid one from trespassing in any way upon the rights of others, and from going too far in the competitions of business. "Live and let live" will be the approved and

* Hunt's Merchant's Magazine.

practiced motto. The Rev. Dr. John Todd has some judicious remarks on the subject:

“Frequently there is great injustice perpetrated under the garb of just and equitable competition. A large trader with abundant capital will deliberately adopt the nature and occupation of the tiger among the flocks. Though already abundantly rich, and needing nothing more, he will devote himself to the oppressive persecution of competitors with smaller means. Instead of a noble and generous encouragement of them by maintaining the stand of the branch of trade in which they are engaged in common, he will undersell them, even at a loss to himself. He will even ascertain the main staple of their investment, that he may especially destroy them by a ruinous reduction of the market price for this one class of merchandise. His purpose is no longer an honorable gain for himself, but a murderous ruin for others; and embarrassment and failure in trade, and hopeless debts, and secret family distress, and it may be heart-broken poverty and even despairing suicide, may be the results of this unrighteous oppression of the poor by the rich of this world.

“Such a man, while far from an advantage to the trade, is no benefit to the community in which he trades. Like some of the haughty and cruel land-owners whom the soil of Europe occasionally produces, who delight to sell out whole villages of the poor to increase the area of their worthless parks, and to

depopulate a neighborhood by the grinding of the faces of the laboring and needy, till they compel hundreds to depart, that they may dwell alone, and that their game may roam where these poor ones were born and where their fathers lie, and where they too would willingly have toiled and died; and then affect to consider the splendor of their enlarged palaces and the green silence of their outspread lawns the index of the prosperity of the land which they have cursed, so does such an overgrown trader become the voluntary destroyer of hundreds, furnishing in return no increase to the common wealth, often even swearing out from just taxation for the public the whole amount of his ill-gathered property, and willingly sacrificing the happiness and prosperity of any and all others to his own selfish plans of covetous accumulation. This, in a greater or a less degree, is a frequent shape of the competition in which the man of business must contend."

It is said that the renowned merchant, Stewart, whom we have recently cited as a model of honesty, was not above some very oppressive methods of crushing out competitors. But his example in this particular is by no means to be followed.

V. The whole that has been said so far in this chapter may be summed up in a single and yet more comprehensive word, *HOXOK*. This it is which includes, comprises, and defines all. Mr. Freedley, in his

Treatise on Business, has made an excellent exposition of it by the following remarks :

“In a populous community, where business is complex and interest powerful, a kind of court of equity for business honesty and probity is necessary ; and this might be properly termed the court of honor. Its decrees are not written in a code, nor are its proceedings regulated by rules and formulæ. Its seat is in the bosom of Nature’s noblemen, and its power is manifested in the infinite variety of unwitnessed transactions and the extended confidence of commercial intercourse. Without honor, commerce must stop at every step to prepare her writings ; and suspicion, like a heavy armor, would impede the march of enterprise.

“Honor is violated,” continues Mr. Freedley, “when a man uses information confidentially entrusted to him to anticipate the informer. A man violates the laws of honor when he takes the advantage of another’s unskillfulness or inexperience, or of technicalities of the law, to impose on him. A man acts dishonorably when he does not make sacrifices to pay his debts promptly ; when he attempts to raise the market price on another buyer ; when he sells below the market price to get away his neighbor’s customers ; when he is unmindful of favors ; when he does not allow his clerks and dependants to share in his prosperity ; and in all cases when he does acts which, if thoroughly

understood, would tend to lower him in the estimation of his customers or of any good man."

To similar effect is the splendid eulogy of the eloquent Dr. Chalmers :

"It ought to tempt one to be proud of his species, when he looks upon the faith reposed in a merchant by a distant correspondent who, without one other hold of him than his honor, confides to him the wealth of a whole flotilla, and sleeps in the confidence that it is safe. It is indeed an animating thought, amid the gloom of a world's depravity, when we behold the credit which one man puts in another, though separated by seas and continents ; when he fixes the anchor of a sure and steady dependence on the reputed faith of one whom he never saw ; when with all his fears for the treachery of the various elements through which his property must pass, he knows that, should it arrive at the door of his agent, his fears and suspicions may be at an end. We know nothing finer than such an act of homage from one being to another, when perhaps the diameter of a globe is between them ; nor do we think that either the renown of her victories or the wisdom of her counsels so signalizes the country in which we live as does the honorable conduct of her merchants or the awarded confidence of those men of all tribes and colors and languages, who look to one agency for the faithfulness of all management, and to one keeping for the most inviolable of all custody."

VI. TEMPERANCE. This chapter has stretched to unexpected length; but it ought not to be closed without a word of warning against indulgence in intoxicating drinks, which has dragged many a good workman, many a prosperous business man, many a retired man of fortune, down to poverty, shame, and degradation. Says Mr. Carlyle, in his vigorous way, "No man oppresses thee, O free and independent franchiser; but does not this stupid pewter-pot oppress thee? No son of Adam can bid thee come or go; but this absurd pot of heavy-wet can and does. Thou art the thrall, not of Cedric the Saxon, but of thy own brutal appetites and this accursed dish of liquor. And thou pratest of 'liberty', thou entire blockhead!" Mr. Barnum is in nothing else more earnest or explicit than in this:

"To make money requires a clear brain. A man has got to see that two and two make four; he must lay all his plans with reflection and forethought, and closely examine all the details and the ins and outs of business. As no man can succeed in business unless he has a brain to enable him to lay his plans and reason to guide him in their execution, so, no matter how bountifully a man may be blessed with intelligence, if the brain is muddled and his judgment warped by intoxicating drinks, it is impossible for him to carry on business successfully."

Truly, "the drunkard and the glutton shall come

to poverty, and drowsiness shall clothe a man with rags."

"Real glory
Springs from the silent conquest of ourselves,
And, without that, the conqueror is naught
But the first slave."





CHAPTER VII.

BUSINESS MANNERS.

Manners makyth man.

WILLIAM OF WYKEHAM.

Give a boy address and accomplishments, and you give him the mastery of palaces and fortunes wherever he goes. He has not the trouble of earning or owning them: they solicit him to enter and possess.

EMERSON.

Among the qualities of mind and heart which conduce to worldly success, there is no one the importance of which is more real, yet which is so generally underrated at this day by the young, as courtesy,—that feeling of kindness, of love for our fellows, which expresses itself in pleasing manners.

PROF. MATHEWS.



NO elaborate chapter on this subject need be written: every one understands something of the value of good manners to the business man, however poorly he may exemplify his knowledge by his own practice. Here is a habit, an indispensable requisite of the man who must appeal to the public for his living, if not for his competence or fortune, which should be assiduously cultivated. It is not necessary to have all the dainty grace, much less the highly trained, high-bred style of a Chesterfield; but it is, nevertheless, well to observe the suggestion of this celebrated authority on etiquette,

in his letters to his son. Said the noble Lord: "You had better return a dropped fan genteelly than give a thousand pounds awkwardly; and you had better refuse a favor gracefully than grant it clumsily. . . . All your Greek can never advance you from secretary to envoy, or from envoy to ambassador; but your address, your air, your manner, if good, may." Hawthorne, the American novelist, was a man of very different character, — not at all a man of society, — and a being so shy of his fellows that he once recorded in his journal his gladness that he had actually accomplished a journey to the post-office, and back to his room, without meeting a single person! Yet he also wrote: "God may forgive sins; but awkwardness has no forgiveness in heaven or earth."

"The fly hath a spleen, and the little bee a sting." So runs an old proverb. Its meaning is that persons apparently very insignificant may do much harm, or give one considerable trouble, as enemies. To similar effect is the more modern popular saying: "It is better to have the good-will of a dog than his ill-will." And speaking of bees, let the remark of the naturalist be recorded and remembered, that this lively insect will not sting a portion of the skin that is smeared with honey. The lesson of this, too, in human life, and especially in business affairs, is evident.

"Politeness in shop-keepers," wrote Madam Celnart, a lady of a nation which has the politest shop-keepers in the world, "is the road to fortune." Another

comical illustration of this is that of the common soldier on the battle-field, who bowed so respectfully to his superior officer that a cannon-ball, which would have taken off his head, simply brushed his hair. Another and more apt one is that of the childless old lady of fortune, who bestowed at her death a large legacy upon the children of a grocer, who had shown her great civility in her transactions with him. Professor Mathews tells a remarkable story of an inveterate miser, who, notwithstanding all his meanness and closeness, gave hundreds of pounds to promote the advancement of an officer by whose manners he had been captivated. He adds some other interesting examples in the following:

“Hundreds of men have owed their station in life wholly to their winning address. ‘Thank you, my dear,’ said Lundy Foot to the little beggar-girl who bought a pennyworth of snuff. ‘Thank you, my dear; please call again,’ made Lundy Foot a millionaire. Some years ago, a dry-goods salesman in a London shop had acquired such a reputation for courtesy and exhaustless patience, that it was said to be impossible to provoke from him any expression of irritability, or the smallest symptom of vexation. A lady of rank, hearing of his wondrous equanimity, determined to put it to the test, by all the annoyances with which a veteran shop visitor knows how to tease a shopman. She failed in the attempt, and thereupon set him up in business. He rose to eminence in the

haberdashery trade, and the mainspring of his later, as of his early, career was politeness. It is related of the late Mr. Butler, of Providence, Rhode Island, that he was so obliging as to re-open his store one night solely to supply a little girl with a spool of thread which she wanted. The incident took wind, brought him a large run of custom, and he died a millionaire, after subscribing \$40,000 toward founding a hospital for the insane, — a sum which he was persuaded to give by Miss Dix, whom he was too polite to shake off, though almost as penurious as she was persevering.”

All writers upon business topics are explicit in their commendation of this high quality of a good manner. Even the newspapers join in the attempt to educate the youth and business men of the country in true courtesy. A paragraph in one of them falls under our eye as we are preparing this book, as follows :

“ Few things go further in aiding the establishment of a successful business than considerate and gentlemanly treatment of customers. It is the cheapest kind of an investment, yet yields the largest returns. This will be readily admitted by all who have been long in trade, if the subject is brought to their consideration ; yet it is one of the very things that not only clerks but even proprietors are apt to forget. It rarely occurs to them to look at it in the same way as does the man on the other side of the counter. As a prac-

tical test let any dealer put himself in the customer's place and call at a dozen stores and offices, and take careful mental notes of the effect the different styles of treatment he receives make upon him. In one place he finds himself perhaps neglected or kept waiting without any apparent reason, until he is resolved to go away. At another he buys things he does not really want merely because he was treated with extreme courtesy and attention. It will be found, in short, nothing more than a realization of the old adage, 'Politeness is the cheapest and most profitable of the virtues.'"

Long ago that sterling journal, the Boston Evening Transcript, said :

"Universal politeness has become a primary law in all eminent mercantile houses. It characterizes the intercourse of the Barings, Rothschilds, Laboucheres, and all the most highly respected American houses. Every Boston merchant remembers with pleasure the genial urbanity which graced the energy, success, grand beneficence, and important public services of Abbott Lawrence, the distinguished merchant and statesman. The feelings and courtesies of a true gentleman marked his eminent character.

"Whoever enters the counting-room of a Baring, a Labouchere, or a Lawrence, whether his proposals are accepted or declined, is sure to meet with civility. In the offices of such merchants the visitor might as soon be expected to be greeted with the whoop of a wild

Pawnee, brandishing a scalping-knife at his head, as to hear a polite request repelled with snobbish incivility, graced perhaps with the characteristic 'What the devil do you suppose I care?' Their urbanity, self-respect, and dignity are not occasional appliances; hence they can not descend to vulgar arrogance. Happily the latter is reserved to that class of hybrid magnates who readily mistake their native rudeness for mercantile dignity.

These, the great merchants and bankers named, are good examples to follow, even though at a long interval. As Hunt's Merchant's Magazine says, "A merchant ought to acquire and maintain an easiness of manner, a suavity of address, and a gentlemanly deportment, without which the finest talents and the most valuable mental acquirements are often incapable of realizing the brilliant expectations which they induce their possessor to form."

Let us see what it costs a man in a single case to be "uncivil or impolite, disobliging or discourteous." You may purchase at retail, say, \$1,000 in a year, on which his profit would easily be \$200. If he fails to sell to you, and does not find another customer to take your place to an equal amount, he loses the \$200 outright. This, improved at compound interest at seven per cent for the average term of twenty-five years, in business, would come to the neat little sum of \$1,084. If he parted with but a single customer of this amount every year, he would lose at the rate of sixty-three

cents a day, which, improved at seven per cent for twenty-five years, the tables show would reach to the fine sum of \$12,915. So incivility or dishonesty is rather expensive, in the long-run. The pleasant, honest merchant, by holding his one customer a year, would gain these sums respectively.

Suppose the case of a wholesale merchant with a correspondingly large volume of business. If he lost the trade of a firm, — say \$15,000 a year, with a profit of \$1,500, — he would lose, at seven per cent for twenty-five years, the total sum of \$8,145; and if he did the like every year during his twenty-five years in business, he would lose a fortune, that is to say \$98,199. The thoughtful reader will by this time probably think that this little element in business is worth pretty careful consideration.

The above calculations are based upon the hypothesis that the uncivil and the civil merchant are selling at the same profit. But everybody knows that the latter can usually get more for his goods than the former. The gain, therefore, of the latter will be greater than the loss of the former — in the long-run a good deal larger. Suppose we look at the case where one is compelled to get the same amount of custom by taking off five per cent more than the other can sell for, by reason of his attractive manners. They each sell to the amount of \$100,000 per annum, one gaining a profit of \$15,000, the other \$20,000. In a twenty-five-year business the former wins \$47.92 a

day, becoming at the end of his quarter-century, if improved at seven per cent, \$982,416 ; while the other realizes \$63.90 a day, or a total of \$1,310,025. Here is a difference of \$327,609 — a pretty large one on a mere difference of good and bad manners, and yet by no means as large a sum as the polite, obliging merchant would make in proportion.

No business man, indeed, can afford to be uncivil ; and from a knowledge of the many that are such in the transaction of their business, can any one wonder that they fail when they must add the expense of their bad manners to the other expenses of living ? By the term “uncivil,” as we use it, is meant that style of manners in all business intercourse which repels rather than attracts, which leaves a rankling barb rather than a pleasant and interested remembrance. The more nearly it takes its full force and meaning, or goes beyond that, the more it becomes as an expensive amusement and the nearer it brings the business man or employee, no matter who he may be, to loss of money or to absolute failure. The more you can, then, by civil and pleasant treatment, interest the employer or customer in your business, the more naturally he will be interested in the employee himself ; and *vice versa* — mutual benefit in money will result.

Let us recite a case which actually occurred in New York many years ago. A country manufacturer went to the city to buy material to be used in his business,

and being dressed in rather a rough garb, was not altogether prepossessing in his personal appearance. But he always paid cash for what he purchased, and so felt reasonably independent; and being somewhat abrupt and eccentric in his way, he did not pay much attention to style. Going to one of the largest metal houses in the city, he inquired the price of such material as he wanted. The seller, looking at his would-be customer, and supposing he was only some retail dealer who might want to learn the wholesale price in order to rule a small purchase, gave him retail rates. But the caller said he wanted to know the price of a quantity. The merchant asked him just how much he wanted. The manufacturer upon this felt a little piqued, and replied, "That is my business." The other, still feeling that the countryman was simply asking for curiosity or for a petty transaction, set his price as before, and the manufacturer departed, never again to darken the doors of that store. Both houses are yet, or were recently, in existence, though the older members are dead, among them the heroes of this story.

Now let us inspect this example carefully, for it was a large one in its results. During the whole subsequent time of his remaining in business, the country manufacturer purchased on an average \$40,000 worth of materials yearly, every dollar of which the city house might have sold him under courteous treatment and with a right price, and would have had the cash for it as regularly as he bought. As he was a

close buyer, five per cent is probably the safe measure of average profit to the house. So by this seemingly trifling incident that establishment lost \$2,000 a year for thirty years; and if that sum had been saved and successively deposited, with interest compounded at seven per cent, the total would have been \$196,401—a quite expensive three-minutes' talk to one party in the dialogue, as the result of his incivility, want of penetration, and hasty judgment.

No man in business can tell what word or action may win or lose him money. No one is likely to make by chafing (perhaps not by "chaffing") those who come in contact with him, while he may lose largely by it. The most important principle in money making is so to deal with every one that he is, or ought to be, satisfied and pleased. If you have succeeded with one, you have laid a train of influence, advertisement, and interest wherever he goes; for it is as natural for persons to speak well of any one or of any establishment that has used and served them well, as it is for water to run down hill. To advertise for the accomplishment of the same end would cost much money, while your courteous manners and speech will cost you nothing, and in satisfying and pleasing you are making many dollars by securing an influence that may bring you money from every point of the compass. If you want to make money, don't read this and then forget it. When one has made a fortune he can possibly afford to do such things, although even then

he may suffer losses by his ungracious manner and consequent unpopularity.

An instance of this kind once occurred in the lower part of New York city. A large fire had extended to a warehouse owned by a close-fisted, grinding trader, about as crabbed and ugly as he could be. The flames were just catching in an upper story by red-hot iron window-shutters, and could have easily been extinguished by the firemen, as was believed. Calls were made for a hose-pipe to play on the small beginnings of the fire at his building, when the cry went up, "This is old S.'s store: let her burn!" Whether this was the cause of subsequent slowness and neglect, or not, is not certainly known; but certain it is that the entire property was consumed, and that without insurance, at a loss to the crusty old gentleman's estate of \$30,000.

Thus we could go on and give instance after instance where heavy sums, even fortunes, have been lost or made by some apparently immaterial act or word, which at the moment passed unnoticed by the party originating it. They are, it is true, the straws of the money-making life; but they are nevertheless important in themselves, and still more in their results, while there are a thousand and one other matters that conduce more or less to the same end.

Mr. Freedley insists, in his *Treatise on Business*, that "politeness of manner and patience, or a serenity of temper which nothing can disturb, are essential quali-

fications of a good clerk," and the same is true of the merchant who is his employer, or of the heads of any sort of business house. Says the successful New York merchant, Mr. James D. Mills, in his book on the Art of Money-making :

"A quality so desirable as good manners to the character of the individual must be greatly enhanced in value as an attribute of the man of business. 'Civility,' said Lady Montague, 'costs nothing and buys everything.' Here we have the financial value of politeness to a nicety, not less true because epigrammatically expressed. You will find it correct, too, in every phase of your business relations, even if you be so unwise as not to appreciate it for its own beauty and its necessity to you simply as a member of the body social.

"Be polite to your customers. If you don't, they will go away from you to some more sensible trader who is polite. Nothing so pleases customers as to be shown a little attention when selecting their goods or paying for them. Besides, they have a right to it ; for when you undertake to sell merchandise or services to the public, you are for the time being a paid servant of every person who is so kind as to patronize your establishment. For our own part, we should be disposed to pay, even knowingly, a little better price to the polite and attentive trader than we would to the churlish one ; and we are not alone in the feeling either. Do not confine your politeness merely to cus-

tomers who buy goods and pay money, but extend it also to agents who come to solicit orders or to receive money payments, and to the other miscellaneous callers at your place of business. A rude reception may inflict a heavy heart on such persons, if of a sensitive disposition, and in that case it is simply brutality. Be polite also to the merchants with whom you in your turn have dealings. Do not strut forth with the first article of the Constitution fomenting in your brain, as if you intended to give a clinical lecture on the text that 'one man is as good as another.' Be cheerful, civil, and deferential, and your negotiation will be pleasant. Besides,—and as a man of business you must appreciate the point,—*it will pay best.*

"Be polite to your employees. It is their right, and yet it will be received as a favor. If they serve you well, don't be chary of a polite and cheering acknowledgment. If they do not, your censure, when it comes, will fall with a double weight; and this again may be quadrupled by administering it with a kind of hydropathic gentleness. However, if you be really polite, you will have little to censure, you will be faithfully served. There are few men who will not do their duty fairly by a kind and courteous employer. Even laboring men may be very sensitive on this point; and all men like what is called 'fair play,' a commodity in which arrogance has no place. . . .

"Be polite to strangers. The stranger of to-day may have business relations with you to-morrow.

Nay, he may be already in your books or you in his, and not know each other. Many business men have customers whom they have never seen. 'Win hearts,' said Burleigh to Queen Elizabeth, 'and you have all men's hearts and purses.'"

It need not be thought that the practice of the kindest and minutest courtesies of life is in any way inconsistent with the most thorough-going courage and energy of character. As Bayard Taylor beautifully puts it in his "Song of the Camp,"—

"The bravest are the tenderest,—
The loving are the daring."

That great soldier of nearly two hundred years ago, the Duke of Marlborough, perhaps in some respects the greatest military leader that ever lived, was yet so considerate and gracious in his intercourse with men that it was said that to be denied a favor by him was more pleasing than to be granted one by some other man. Wellington, the "Iron Duke," the hero of Waterloo, a great fighter for his country, nevertheless confessed to a friend that he never had a quarrel with any man in his life. Captain Parry said of his friend, the brave Arctic explorer, Sir John Franklin, that "he was a man who never turned his back upon a danger, yet of that tenderness that he would not rudely brush away a fly." Even the first Napoleon, who never succeeded in becoming an accomplished gentleman, because he

never had gentlemanly instincts, took lessons in deportment from Talma the actor.

"The churl in spirit, howsoe'er he veil
His want in forms, for Fashion's sake,
Will let his coltish nature break
At seasons through the gilded pale."

"Washington, on the other hand, was polite when he promptly returned the salute of a colored man; Arnold was polite when the poor woman felt that he treated her as if she were a lady; Chalmers was polite when every old woman in Morningside was elated and delighted with his courteous salute, and so was Robert Burns when he recognized an honest farmer in the street of Edinburgh, declaring to one who rebuked him that it was 'not the great-coat, the scone bonnet, and the Saunders boot-hose' that he spoke to, 'but the man that was in them.'"

Excellent judgment is sometimes required to avoid condemnation of one whose manners, by nature or from unfortunate early association, may be hopelessly bad, yet who has in him the material of high usefulness in some walk of business where politeness is not so essential. The story is told of a well-grown boy whose speech was so inveterately blunt that he proved worse than useless as a salesman. His employer finally sent him the usual notice of dismissal. But the poor fellow, unwilling to be turned into the street without employment, sought an interview and remonstrated, saying,—

"But I 'm good for something."

"You are good for nothing as a salesman."

"I am sure I can be useful," insisted the youth.

"How? Tell me how."

"I don't know, sir; I don't know."

"Nor do I," returned the ingenuous principal. And he laughed as he observed the earnestness of the lad.

"Only don't put me away, sir; don't put me away. Try me at something besides selling. I can not sell; I know I can not sell."

"I know that, too. That is what is wrong."

"But I can make myself useful somehow; I know I can."

The result was that the youth was retained and tried in the counting-house, where he developed a singular aptitude for figures and accounts, and finally became not only cashier of the house, but one of the most eminent accountants in the land.





CHAPTER VIII.

BUSINESS EDUCATION.

In all conditions and circumstances, well-being is in the power of those who have power over themselves.

J. J. GURNEY.

We can not hope to be mowers,
And gather the ripe, golden ears,
Until we first have been sowers,
And watered the furrows with tears.

ANONYMOUS.

There can be no human employment that is not facilitated by the aid of a cultivated, disciplined intellect; and our young countrymen, who so frequently make some temporary and lucrative occupation the stepping-stone to advancement, should always bear this in mind.

AMERICAN GENTLEMAN'S GUIDE.



A BRIEF chapter on Business Education may fitly follow the preceding discussions of Business Qualities, Business Morality, and Business Manners. A great many successful men have attained their success without any formal preparation in any of these particulars; but have had to learn everything in the hard, stern school of life. Yet even the best of these, we think, have often had reason to regret that at home or in the schools, or by self-training, they had not secured a

richer and wider culture, which would have contributed much to the happiness and usefulness of their lives, and prepared them more fully to enjoy the period of retirement and relaxation from the long strain, after the fortune was made. A good measure of education is certainly to be recommended to all who are preparing for business life.

This subject may be conveniently considered under four heads—Education at Home, in the Schools, in the Business Colleges, and in Private.

I. HOME EDUCATION. "Just as the twig is bent, the tree is inclined." Parents do not often enough reflect upon the great responsibility that is thrown upon them in the rearing and training of a child. We have already presented this subject briefly in an earlier chapter, but do not hesitate again to bring it forward here. In the first instance, parents are bound by the law, as they should be by affection, to provide food and clothing for their children, and to be responsible for their acts of mischief and depredation. Night and morning, day in and day out, they watch over the little ones, and provide for their wants. The midnight hour frequently surprises the mother still engaged upon some pleasant or necessary task for them, something which the engrossing business of the day has crowded over from the day's duties. Thus the weeks and the years roll away; and as the young people grow the cares continue, and indeed never

wholly cease, even upon their marriage and settlement in life.

In its first years the child is watched late and early to keep it out of harm's way; and very early something like formal education, at least in religious matters, commonly begins. The old-fashioned childish devotions are lisped over night and morning; in more mature speech bits of the catechism are orally repeated; and at last the herculean task of learning the alphabet is crowded upon the child's memory. So the elementary task is accomplished; the child is voted promising, smart, perhaps "quite uncommon." Bright visions of the future are lighted up by the affection of the parents, as they follow in imagination the gallant and scholarly youth of twenty-one, captivating throngs of admiring girls or taking first honors in some high institution of learning and just about to enter upon some path of life that will lead him to honor and riches, possibly to illustrious glory; or they see in their mind's eye a daughter, whose fair form shall be gracing the halls of a princely mansion or drawing to the admiration of her beauty and accomplishments the wealth and fashion of the land.

These visions vary whenever new features of mind and character, or of personal graces, exhibit themselves in their offspring. Ambition takes hold upon the parents' hearts, and they decide to fill the mind of their child with every sort of knowledge. Governesses and tutors are procured, or the children sent off

to school, with this view. Music, dancing, Latin and Greek, French, German, and Italian, with history, geography, arithmetic, belles-lettres, and a world of things besides, are on the educational program for the daughter; and even more for the son. Their education is in due time pronounced complete; in the language of the schools and society, it is "finished." The daughter enters the round of society, is admired, courted, won, and married. The son graduates respectably, perhaps with distinction, and either enters a profession or goes into commercial life.

And now become apparent the effects of an education which has proceeded on incorrect principles as regards preparation for business, — or rather the most important thing has been neglected. The daughter, say, has married a man who has either just been left a fortune, or is out of his time as a clerk, and is ready to go into business on his own account; or she has formed some other connection which, under the present system of education, will lead to the same result, in a very few years, in nine cases out of ten. This young lady is suddenly placed in charge of a household, and as suddenly finds that she knows nothing of housekeeping, of the value of a single article of the family supplies, or in what the stern realities of the world mainly consist. The young man, her husband, perhaps born to fortune and a youth of idleness, is still worse off, if possible. He was never inside of a market; he does n't understand the value of a single

article of food or how to choose it; and hardly knows enough of domestic business to buy his own clothing.

So ignorance reigns supreme over the household, concerning all matters except society requirements and the constituents of "a good education." There is money enough, to be sure; and as for the prices of vegetables and meats "and such," all that can be learned very soon, so they say. The servants are procured; the house is furnished by some one who happens to get the order; and horses and carriage are at the door. The home is freely open to the duties of hospitality, and the new-married couple are fully "in society." Friends of similar quality flock about them, and things run smoothly for a time. But by and by the inevitable end comes; the red flag is hung out of the window, and the lately rich and stylish young man has gone to measuring cloth behind the counter where once he bought his fashionable dry goods.

This is not an overdrawn picture; the experience of almost every one can recall to mind similar, if not exact, fac-similes of results. If the story be varied in any way, it is very likely by the curtailment of their basis for a start in life, the means already spent having reduced the fortune to a respectable living, if not to a meagre support or bare subsistence.

Now, what we shall say, by way of prevention of these ills for the generations to come, must be regarded merely as suggestions, not at all as rules of

action. We simply submit hints which are to be varied by parents at their pleasure, or according to the circumstances which surround their children.

It is, then, respectfully submitted that if a child is healthy and sound in mind and body, the age of twelve is probably early enough for the commencement of training in elementary or miniature business. Then, whether boys or girls, they should be instructed that upon passing that age they will be required, at first with the aid of the parent or some other competent person, to purchase every article of clothing they are to wear, personally attend to its making, and perform generally all other business that is strictly their own. They are to pay to the parent, by way of board, about the actual cost of their subsistence, and are to have a certain allowance for this purpose. Neat and careful accounts are to be kept, showing the expenditure of every cent by the child, and the corresponding amounts he has received for his allowance. Simple and approved forms of cash accounts, and of accounts-current with all to whom the child may be indebted or who may become indebted to him, can easily be found in the school arithmetics or manuals of book-keeping.

Thus the child will early be taught to estimate value, to price, to figure, calculate, trade, and keep accounts. He will see the value of the great boon of parental care and training, and will appreciate it. Let the sum for this expenditure be ample as his real needs demand,

and at the same time be fixed and imperative. If domestic failures occur within his observation, teach him that these give him a foretaste of heavier failures that may come in later years. Let him understand, too, the disgrace of his own failure, — for his running into debt, for instance, may be considered such. Curtail his privileges, put him “in Coventry” for the time being, and make him feel that to go beyond his depth and exceed his rights is morally wrong as well as personally disgraceful. Make him to know the moral and legal obligations of his contract; for he will no doubt readily accept the offer to give him a stipend and allow him to make his own disbursements. Such is human nature, even in its earliest stages, that responsibility creates self-respect; such an offer to a boy or girl will prove as great an epoch in his or her history as is the day when each in turn becomes legally independent of parental control.

It is but too apparent that all this must consume some time of some one. But even the ordinary education in letters can not be had without a long course of painstaking and care on the part of the teacher, and the expenditure of time as well on the part of the pupil. At present, in general, a business education is begun when all other formal education is finished; and the pupil commences to practice it before he has well learned the lesson. The result is that such education is found too expensive in most cases, and involves the inexperienced in debt and consequent

trouble, which it may take half a lifetime to wipe away, and of which a whole lifetime may not see the end. Humanity must be called to action by an adequate object, in order that the action may prove effective; hence, if you wish the aid of the child in this sort of training, you must not only put a sufficient motive before him, but must also demonstrate to him some advantage which he is to reap from all the labor demanded on his part. If you succeed in that, you will very likely then find him foremost and active in his desire to accomplish something.

But you need not make a formal precept to the children, that it is a pleasant thing to have money. As soon as they discover for themselves, as they presently will, that money will buy them a whistle, a top, a rocking-horse, or some other means of enjoyment, that lesson is learned. Nor are they generally slow to learn the chief attributes of a fortune. If they should be so obtuse as not to observe these, the parent or guardian should carefully instil into their minds, as a cardinal virtue and duty, that they are to labor for, possess, and save money, in order that they may not become a charge and a burden upon their friends or upon the public charities. With this moral and political duty constantly kept before their minds, they will see that the object for which they strive is not mercenary and mean, but that it is among the first and highest duties of man, and one every way commendable.

An independence should be sought for with care and thought, as the next best thing to knowledge. The latter is not necessarily superior to our duties to our neighbor, to ourselves, and to the public. In order, then, that the youth may be incited to acquire a business knowledge, and plant his first dollar in security, as the seed of independence or fortune, he needs to be told what the dollar will accomplish towards this desirable end. He must learn how a dollar can be lost as well as earned, and that, like the seed in the ground, it requires fencing in, to protect it from destruction.

Incentives to make money should be explained ; and the same care and attention which may make the petty business of the child profitable, will make profitable also the larger business of the man. The man's business is prosecuted for a living and a surplus ; the child's can be made to yield the same by proper training and management. His parent can either allow commissions to the child on the amount of his expenditures, provided strictly that the business be well done, or he may allow him to make his profit solely out of the difference, if any, between his income and his expenditure. The child must be made to feel, as the merchant is, that he has the open chance and opportunity of making something, or he is likely to be discouraged and take no interest in his little business.

The chief difficulty in such a course of training may

be that the parent will be the first to forget or weary of the arrangement, and so neglect the duties which it involves. At first the idea will strike him favorably, of course; but the incident trouble will presently prove too great, and since he does not see the effects of the contrary course, no further attention will be given, and the whole promising plan will come to naught. But if only one parent of the two will take the slight necessary trouble, persevere to the end, and secure the right education of even a single child in business principles and habits, this chapter will do good, and the instruction of our book be not in vain.

Too much stress can not easily be laid upon the responsibility of the parent in this matter. Says Mr. Lawson Valentine, an eminent and successful New York merchant, in the book "How to Succeed," "The importance of home training can not be over-estimated. I am inclined to think that, ninety-nine times out of a hundred, the fathers and mothers look to the merchant to do what they have neglected to do for their own boy. They say, 'You are to take a hundred boys, among a like number of men, and do for them what we have not done for our two sons in a family of six, with nothing else to do, and under our own eye all the time.' I recollect what a boy who came to us once said. Something was said to him about his manners, and his reply was, 'I was taught that at home.' It made an impression on me, and the sequel confirmed the impression. That boy

from the word 'go' began to rise, and was a little higher probably at the end of every week, every month, every year, in real skill and in our estimation ; so that when we were making a new departure, and looking for some one to take charge of a branch office, this boy, now a young man, was selected and elected without a dissenting voice or thought. "

Peter Embrey, a wealthy grocer of New York, once said to Mayor Hone, of that city :

"You are a fashionable man, and you have a fashionable family, and you have brought up your children in the fashionable school. I have brought up mine to work, to take care of themselves. They are all employed, but they all board at home. I make them pay me board just as regularly as if they were entire strangers. If they want money I lend it to them and take their notes for the amounts, with an understanding that they pay those notes to me when due, the same as if they had been placed in bank for collection. They pay these notes ; I make them know that they must take care of themselves, as I did of myself when I was a boy, and when young.

"As I said, my boys board with me. I live plainly. I feed them on good food, but I never have any wines or liquors on the table — never ; thus my boys never get a taste of it, never hanker after it. I live plain and eat honest food, and by example in eating and drinking I inculcate honest and healthy precepts into the minds of my boys.

"Now I have given you my method of bringing up a lot of boys. Let me tell you what you have done. You are fashionable. You hold a high position in the community, as you deserve to do ; but, my friend Hone, you have done as hundreds of rich and prosperous men have done. You have brought up your sons under greatly mistaken ideas, if you wished to make men of them. They lived with you. You had upon your table, every day, the choicest wines that money could procure. They joined in drinking healths day after day, and remained at the table for hours when they should have been attending to business. You taught them this. Is it strange that by such examples they should have been taught how to spend money, or that they should be anything else than what they are ? Stern industry, friend Hone, is all that can rectify in your children the faults and follies of the home education you have given them."

"You are right, old friend ; but your advice is too late for me to profit by it. Everybody should hear your experience. Here is where I have failed in my family," replied Mr. Hone.

In general, it is well for every young man, whether he be destined for commercial or professional life, to know enough of a good mechanical vocation to have it in reserve as a resource for subsistence, if he should fail in the business undertaken or the pressure of hard times should drive him to the wall. The Jewish rabbins have a saying : " He who would not bring up his

son to a trade is as if he forced him to be a thief ;” which is strikingly similar to a remark attributed to the sacred books of the Brahmins : “ The parent who does not teach his child a trade teaches him to be a thief. ”

II. SCHOOL TRAINING. It is obvious that the school should be a miniature world, so far as practicable, — that it should be a veritable place of preparation for the activities of life. The true principle of practical education was laid down by Agesilaus, king of Sparta, in the palmy old Greek days. When asked what things he thought most proper for boys to learn, he replied, “ Those things which they should practice when they become men. ” Yet even arithmetic, grammar, and other studies immediately bearing upon the future life of the pupil in society and business, are often taught in our schools with little reference in their methods or conclusions to the actual needs and conditions of that life. As for the higher education, sometimes called “ classical, ” sometimes “ liberal, ” it is considered by many successful men to be rather a disqualification than a good fitting for business, to be weakening in its tendencies, so far as the actual rude contacts of the world are concerned ; and they despise it accordingly. The reader of this book will recall the case of the three graduates from great universities, who came down to be common shepherds upon an Australian ranch, where their employer, the owner, could hardly

read and write. One of the writers on commercial topics probably expresses the general view of his class in these remarks: "In the education of a business man it must never be forgotten that his future life will be a life of 'action' and of study. Great care must therefore be taken that the health be not impaired in a strife for useless honors, that the feelings be not suffered to grow over-sensitive in recluse contemplation, nor the mind lose its spring and elasticity under a load of cumbersome and unpractical learning. It has been said that at least one-fourth of the students of colleges leave them with impaired health; full one-half are too sensitive to bear the rude jostlings of the world; and perhaps two-thirds of the balance have some defect that would seriously mar their happiness and usefulness. It is wonderful how many parents spend their money, which they can ill spare, to unfit their sons for future happiness."

Said a very intelligent and scholarly man, the Hon. George S. Hilliard, of Boston: "So far as my observation goes, I should say that one-quarter, at least, of the young men educated at our colleges leave them with impaired health. From the recluse life he has led, he is likely to have awkward manners and an unprepossessing address. From not having been trained to self-control, he is perhaps impatient of contradiction and needlessly sensitive. He is probably conceited, possibly pedantic, and pretty sure to want that sixth sense which is called tact. He knows much of books,

but little of men or life; and from mere confusion of mind, incurs the reproach of weakness of character."

A writer in the London Times is much more severe upon the average college graduate. He says: "At sea he is a land-lubber, in the country a cockney, in town a greenhorn, in science an ignoramus, in business a simpleton, in pleasure a milksop, — everywhere out of his element, everywhere at sea, or in the clouds adrift."

No doubt some injustice is done in these extracts, especially by the Times writer. Certainly there are very many men in business, doing excellent work as clerks, book-keepers, superintendents, or in other positions as subordinates; and many college graduates or otherwise classically trained men who have succeeded in independent business, and yet retained the benefits of their liberal culture. To such "the humanities," as such studies were anciently called, are invaluable, especially when the period of retirement and rest comes. For want of it many a retired merchant or banker has found his leisure insupportable and insufferable, and has rushed back to business to die in the harness. The best lesson of our extracts is this: So get the higher education that you will be rather the better fitted than unfitted for the best walks of business.

In the schools arithmetic should be so taught as to give the power of ready and accurate calculation, often in somewhat large sums, without the necessary aids of pencil and paper. Geography should in all its exer-



THE LADY CORRESPONDENT.

cises and memoriter lessons be closely related to commercial transactions, to travels, to history, and to the news of the day. Grammar and composition should invariably include letter writing, with special exercises in business correspondence, legal and business forms, etc. All other studies, so far as they are fitted to the purpose, should be brought to bear upon the work of preparation for practical life. The science and art of accounts should be a distinct and well-conducted branch. The Hon. Ira Mayhew, for some years Superintendent of Public Instruction in Michigan, makes a strong argument for this in his remarks on "Book-keeping; its claims as a school study considered":

"We recognize the fact that education in its widest and true sense should aim at the harmonious culture of the whole man, — the body, the mind, and the heart, — reference being had to all the relations he may be called to sustain in life, and to the whole duration of his being. But in this life men are necessarily largely occupied in providing for the supply of their material wants. And for this purpose labor — skillful, intelligent, and honest labor — is necessary. Education, hence, to be worth having, must render its possessor practical and self-reliant, and enable him to gain an honest independence as the fruit of his industry.

"Some studies are chiefly prized for the practical benefits they confer, while others are considered espe-

cially valuable for imparting mental discipline. Reading, writing, and arithmetic, and surveying and navigation, when studied with reference to being practiced for a livelihood, belong to the former class; while the higher mathematics and the ancient languages are generally considered as belonging to the latter class. Other studies, again, combine these two features; while valuable for discipline, they are at the same time of great practical importance. This class of studies includes mechanical philosophy, chemistry, astronomy, and the natural sciences. But no study, it is believed, combines these two features to a greater degree than book-keeping; for while excellent for discipline, it is at the same time of great practical advantage in every department of productive industry.

“In the study of algebra and the higher mathematics the mind is chiefly occupied in abstract reasoning, by which it acquires strength and habits of accuracy and precision. In the study of the ancient languages one acquires a better knowledge of his own language and an increased facility in its use. The effect of these studies upon the mind has been compared to that of the grindstone upon the axe and the scythe in fitting them for use. But the woodman, to derive advantage from the possession of even a sharp axe, must be skilled in its use. And skill can be acquired only in the use. And so of the scythe. We learn its use, not from seeing others mow, but from mowing ourselves. But in the study and concurrent practice of book-

keeping the student considers the relations existing between persons engaged in various business transactions, and the obligations growing out of these relations and of the transactions engaged in, and acquires skill in so recording them as to determine with exactness the indebtedness of each to the other, and the source and amount of the gains and losses connected with each branch of any business, however complex. The effect of this study upon the mind may be likened to that of the soil upon the plow, the spade, and the hoe. These instruments are best sharpened by being kept in contact with the soil in their proper use. So in book-keeping, the mind receives its best culture in studying the relations existing between persons engaged in the discharge of the practical duties of life, which every one should understand and observe.

“The knowledge and practice of book-keeping may be turned to account in every department of productive industry. The farmer should keep accounts not only with all persons with whom he deals, but with cash and with his different fields, whether used for grain or grass; with sheep, and cattle, and swine; and with every branch of his business. This can readily be done by debiting each for what it costs him, or what he bestows upon it, and crediting each for what it produces, or what he receives from it. In this way he can see what he makes or loses in each department of his business. He is thus enabled to determine what

branches of his business to extend, and what to contract, and what (if any) to give up entirely.

“And what we have thus seen to be true of the farmer is equally true of the mechanic and the tradesman, and of all persons, whether men or women, who are engaged in any one or more of the various departments of productive industry. Suppose, for example, a merchant has a general store and carries on other branches of business, as farming, milling, and manufacturing. Let him pay laborers on the farm, in the mill, and in his shops, in part from his store and in part from the products of the farm, the mill, and his shops. And let him pay for merchandise for his store, in part, in like manner. He may know at the end of the year that he has, on the whole, gained little or nothing, without being able to account for the result. But a well-kept set of books might reveal to him the fact that, while his gains had been large from one or more branches of his business, they had been nearly or quite absorbed by his losses in other branches. He would then, by the aid of his books, know how to shape his business so as to increase his receipts and lessen his losses, and thus render his business, on the whole, productive. . . .

“The knowledge and practice of book-keeping is advantageous in a business point of view, as we have seen. And as it leads to a better understanding of the relations existing among men, and of the obligations growing out of these relations, and requires the keep-

ing of full and faithful records, it will manifestly contribute to the support of good government. It will diminish discords and promote harmony in the community. It will increase industry and prove an incentive to frugality. It will lessen temptation with business men and with accountants, by increasing the chances for detection in cases of dishonesty, and in these and various other ways promote public and private virtue.

“As it is the design of our systems of education to prepare all of our youth of both sexes for the better discharge of the duties of life, it is manifest from the considerations presented that book-keeping should be taught in our common or district schools, to all children whose education must be limited to the common English branches. This study may properly follow reading, writing, and arithmetic. Indeed, book-keeping may advantageously be studied in connection with writing and arithmetic; for its study will improve the learner’s knowledge of both of these useful branches of a common English education. . . .

“From the foregoing considerations it can not fail to be apparent that book-keeping should be recognized as a *necessary school study*, and have prominence given to it, in our union and high schools, and in the colleges and universities of the country. Hitherto it has not been required preparatory to entering college, nor has it been taught therein. As a consequence, college graduates who are considered *liberally educated*(?)

are often unable to keep a set of books, or even to comprehend them when properly kept! A large percentage of the failures among our merchants and business men are attributable to this lack of instruction. The *over-confident* rush on, not aware of their condition, and often supposing themselves in great prosperity, until compelled by prudent creditors to make an assignment in bankruptcy; while the *very timid* not unfrequently become panic-stricken, and voluntarily make an assignment for the benefit of their creditors, when, had they comprehended the exact condition of their business, they might have safely and profitably continued it."

IV. BUSINESS SCHOOLS. It is probably true that most business men think as little of these as of the classical colleges. Yet the argument from other systems of education is almost wholly in their favor. Supplementing the common-school, academic, and higher courses, or sometimes taken independently of these, are professional and technical schools, and special masters in a more private way, fitting the student for many of the more important vocations. This is carried to a much greater extent abroad, especially on the Continent, than as yet in this country. In Bavaria even beer-brewing has its own schools of instruction. And it is clear that, while special schools can not implant business qualities or morals in one naturally destitute of them, they can do

much to prepare for actual practice those who are gifted with such abilities, and can save them labor, annoyance, and mistakes when in the real field of action, and can in many cases secure the possessor of its diploma quicker and more profitable employment.

Some of the most prominent of our educators have given their testimony in favor of such schools. Said the greatest of them all, the Hon. Horace Mann: "Such knowledge as the business college affords is most directly conducive to mercantile honor and success. One single application of such knowledge is often sufficient to reimburse its possessor for all it may have cost him to obtain it, and then he enjoys it gratuitously all the rest of his life. I can not but regard the young man in our day, who embarks in mercantile business without such a preparation of knowledge as a mercantile school can afford him, as guilty of the same folly as the mariner who would take charge of a vessel and put to sea, alike ignorant of shallows and reefs and of the channels between them and the sea he proposes to navigate. An accurate account-book is as necessary to the merchant as an accurate log-book to the sailor." And the Hon. Ira Mayhew, before cited: "Success in business, as in the mechanic arts, in the professions, and in the various departments of productive industry, requires preparation. The preparation which every business man needs includes, among other things, a knowledge of double-entry book-keeping, of the nature and proper use of business

papers, and of correct business practice, conforming to the provisions of law and securing to each person his rights, without litigation, while courteously yielding to all others their just dues. This knowledge may best be acquired in a well-conducted business training-school. . . . With the requirements of commerce and trade in this country, the education provided by a good business college becomes a necessity with both men and women."

Book-keeping is the chief study pursued at these colleges, and in certain of its branches it is a very beautiful and interesting system, which in some way, in the schools or privately, should be mastered by all business men. Dr. Mayhew, who was himself long at the head of a prominent business college, is very warm in its eulogy. He says: "The science of double-entry book-keeping deserves to rank among the fine arts. It challenges the admiration of lovers of the beautiful and the true. It cultivates the judicial powers of the mind. It quickens and strengthens a love of justice and equity. It promotes fair dealing among men. It contributes to private and public virtue. It leads to economy and thrift in private and public affairs. Its more general study and practice would reduce pauperism and crime, and promote frugality and virtue." Another writer says: "It will most certainly pay any business man to understand well the system of book-keeping by double-entry. It is not hard to learn; there is no man of ordinary intelligence who

should not master it in quite a short season. This knowledge should be acquired, too, whether you write up your own books or employ other persons for the purpose. In the former case you have the advantage of being able to find out at any moment the exact state of your business concerns in any one particular, or in all; in the latter, when like information should be, but is not always, within call, you have the remedy in your own hands; and you have also an infallible safeguard against the possible dishonesty, errors, or neglect of your clerks."

But a great many things besides forms of accounts are taught in the large commercial schools. The course of study of one whose circular is before us also includes business correspondence, business penmanship, commercial papers and calculations, philosophy and morals of business, banks and banking, national and savings-banks, stock, partnership, administrator's, and internal revenue accounts (some include railway book-keeping), the elements of commercial law, and telegraphy and phonography, with a preparatory department for those who have not the full qualifications requisite for taking up book-keeping. On the whole, attendance at this class of schools may be recommended.

IV. PRIVATE OR SELF-CULTURE. Many young persons must resort to this, often while engaged in laborious pursuits the full working hours of the day, for

want of means or opportunity to attend schools of any kind, and for lack of home training in their childhood. But to many the best kind of education has been self-education ; and it is held to be one of the best eulogies that can be passed upon a successful man, that he is "self-made." As the great historian, Gibbon, wrote long ago : "Every person has two educations, — one which he receives from others, and one, more important, which he gives himself."

The very sacrifice and self-denial usually required in the work of self-education becomes a powerful element of a well-trained mind. As Mrs. Oliphant says, "The secret of all success is to know how to deny yourself. . . . If you once learn to get the whip-hand of yourself, that is the best educator. Prove to me that you can control yourself, and I'll say you're an educated man ; and without this all other education is good for next to nothing." Similarly an anonymous writer : "He who resolves upon any great end, by that very resolution has scaled the great barriers to it ; and he who seizes the grand idea of cultivation, and solemnly resolves upon it, will find that idea, that resolution burning like fire within him, and ever putting him upon his own improvement. He will find it removing difficulties, — searching out or making means, — giving courage for despondency and strength for weakness."

"Learning by study must be won,
"T was ne'er entailed from sire to son."

Mr. James D. Mills says at the beginning of one of his instructive chapters: "The value of self-culture, and the assistance which it is calculated to afford us in a business career; the happiness it procures for the individual man; and last, though not least, the powerful and elevating influence it exercises on social life, and to the enjoyment of wealth acquired;—these, with other considerations, make it one of the most important subjects which it is our province to impress on the young beginner."

We close this section with the following remarks from Mr. Barnum: "'There is no royal road to learning,' says the proverb; and I may say it is equally true, 'there is no royal road to wealth.' But I think there is a royal road to both. The road to learning is a royal one—the road that enables the student to expand his intellect and add every day to his stock of knowledge, until in the pleasant process of intellectual growth he is able to solve the most profound problems, to count the stars, to analyze every atom of the globe, and to measure the firmament; this is a regal highway, and it is the only road worth traveling. So in regard to wealth. Go on in confidence, study the rules, and above all things study human nature, for 'the proper study of mankind is man,' and you will find that while expanding the intellect and the muscles your enlarged experience will enable you every day to accumulate more and more principal, which will

increase itself by interest and otherwise, until you arrive at the state of independence."

Too much must not be undertaken or expected in a course of business education. All technical requirements should be included in it; but it may be necessary to omit many readings and studies which the recipient would be glad to comprise in his general culture. "Have the courage," advised Sydney Smith, "to be ignorant of a great number of things, in order to avoid the calamity of being ignorant of everything." Some of the most famous men of history, as well as of business, have been singularly illiterate. "Charlemagne could barely sign his own name; Cromwell was 'inarticulate'; Macaulay's asthmatic hero [William of Orange] scarcely possessed a book; and Frederick the Great could not spell in any of the three languages which he habitually mispronounced. Many of our greatest men were born in the backwoods, and the strongest hand that has held our government—a hand that would have throttled secession in its cradle—belonged to one whom his biographer pronounces 'the most ignorant man in the world.'"

There is sometimes an advantage, too, in not having the comprehensive view of things which a large, wide culture gives. Shakspeare said of certain contingencies, —

"And thus the native hue of resolution
Is sicklied o'er with the pale cast of thought."

* Mathews, *Getting on in the World*, p. 119.

And Sir Arthur Helps remarks that "the man who sees too widely is nearly sure to be indecisive, or to appear so. Hence also comes an appearance, sometimes of shuffling, and sometimes of over-subtlety, which is very harmful to a man."

But there is little danger, in the intense activities and competitions of to-day, that men already in business, at least, will over-cultivate themselves. They, and the younger generation who are preparing, may be safely advised to lose no opportunity of information, of refinement, of genuine culture. All will be useful to them, in some way, some time. As President Garfield nobly said, in his address to the graduating class at the United States Naval Academy, Annapolis, "There is no easy road to success. I thank God for it. There is no success without you work for it. A uniform can give you position, but it can not give you success. In peace or in war, a trained man will make his life tell. Without training you are left on a sea of luck, where thousands go down while one meets with success. Training, with brain work, is what will bring success. Your work can not extemporize success. It must be wrought out with patience and toil. The world is open to you, and if the naval service does not bring you success, then you are lazy or hopelessly incompetent. I almost experience a feeling of envy when I think of the possible future before you. We older ones have our characters set. There is no curiosity about our future. Even angels would

hardly look down upon us. The very gods, if we lived in mythological times, would look down with interest upon you. You have so much to mould, shape, and build up! All your friends will follow you so long as you work for this end."





CHAPTER IX.

HOW TO MAKE MONEY.

Thus, when the villain crams his chest,
Gold is the canker of the breast;
'T is avarice, insolence, and pride,
And every shocking vice beside:—
But when to virtuous hands 't is given,
It blesses, like the dew of heaven;
Like Heaven, it hears the orphan's cries,
And wipes the tears from widow's eyes.

GAY.

Engage in one kind of business only, and stick to it faithfully until you succeed, or until your experience shows that you should abandon it. A constant hammering on one nail will generally drive it home at last, so that it can be clinched. When a man's undivided attention is centred on one object, his mind will constantly be suggesting improvements of value, which would escape him if his brain was occupied by a dozen different subjects at once. Many a fortune has slipped through a man's fingers because he was engaging in too many occupations at a time. There is good sense in the caution against having too many irons in the fire at once.

P. T. BARNUM.



THE ways of making money are as diverse as the vocations which men undertake. No occupation yields more returns than what are necessary for actual support, that does not give the opportunity for gains. But there is a choice of such employments, in the light of gain; for some return more money than others for

the same time occupied and the same labor expended. It is well, then, to look carefully at the differences in making selection of a life-work. And when the calling is once chosen and entered upon, never leave it, as a very successful business man suggests in our quotation above, while a reasonable demand is maintained for either the articles you handle or the kind of labor upon which you expend your energies.

This cardinal principle in money-making only applies, of course, to those who are thus still engaged, and not to him who has made an independence and can afford the sacrifice necessary in a change of business; for a change from one line to another is generally expensive, involving a loss of capital invested, of skill and knowledge acquired, and of time both in making the change and in getting a like skill, if possible, in the new vocation.

Diversity of business produces diversity of employments, and usually those who engage in them exercise no intelligent choice in the matter. The business to be followed is selected either by the parent or a friend, or by the youth himself, without the remotest idea on his part of the processes, results, or conditions of success of the business in which he is about to engage. The usual attraction to it, however, is the fact that some one else has done well—that is, made an independence, in that line of business. Some are driven by necessity to take whatever comes readiest to hand

in the way of employment, and to rely upon hap-hazard chances for something better or by way of advancement. But whatever the employment which chance or choice has given, there is commonly about as much likelihood of making an independence in one as in the other — that is, taking into the account the gains and inevitable expenditures attached to each, the result relatively is about the same.

Some kinds of business, from the very nature of them, are incapable of much extension. Their scope is limited, and the money to be made from them is accordingly limited in amount. The first guarantee of success is to be satisfied with the business in which you are engaged. For it can be conclusively shown, as was just before suggested, that the results of one business are about as good as another, in the long-run. The next qualification for money-making in such business is knowledge respecting it in every possible relation, and skill and tact in its application to accomplish the largest results with the least expenditure of time and capital.

Most books upon business and money-making hold up to seekers for fortune the inducements of commerce as the great and promising field for wealth. But if the statistics of failure and other items of the reports are to be relied upon, merchandising and commercial pursuits generally are among the last occupations in which to labor for a fortune, if these

pursuits are to be carried on in the usual way. Still, the failure of ten thousand locomotives to do their work well, or their break-down from fatal defects in some of their parts, would not condemn the use of such as are efficient and complete. So the failure of one man in merchandising does not and should not necessarily indicate the failure of another.

Still, it must be confessed that the statistics are discouraging. Many years ago General Dearborn, who had long been Collector of the Port of Boston, and had superior opportunities to observe vicissitudes in trade, in an address to the members of the Legislature declared that, "after an extensive acquaintance with business men, and having long been an attentive observer of the course of events in the mercantile community, I am satisfied that, among one hundred merchants and traders, not more than three in this city ever acquire independence. It was with great distrust that I came to this conclusion; but after consulting with an experienced merchant, he fully admitted its truth." His remarks were also confirmed soon after by a writer to the public press, who had made careful inquiry in the proper quarters. Among other remarkable statements was this: "Another friend told me that he had occasion to look through the probate office a few years since, and he was surprised to find that over ninety per cent of all the estates settled there were insolvent."

At a later date, a well-known Cincinnati antiquary

and statistician, Mr. Charles Oist, published a catalogue of about four hundred of the principal business men of that city who had been in trade; and he testified: "I know of but five now in business who were so twenty years since. Such is mercantile success."

But the statistics of failure are by no means confined to the merchant, although we hear more of his failure than of any others. Reports were once carefully collected by the editor of the Massachusetts State Record from one hundred and forty-four towns in that commonwealth. Three hundred and fifty-seven business failures were reported, of which fifty-nine were those of farmers, one hundred and eighty-two of manufacturers and mechanics, nine laborers, four speculators, one hotel-keeper, and one minister of the Gospel. Most of the rest were classed as "traders."

It may be interesting just here to note some causes of failure, for which, fortunately, we have a careful official report of much value. Said one of the British Commissioners for inquiring into the administration and practical operation of the Poor Laws, reporting upon bankruptcy, "As far as I can recollect, from the books and documents furnished by the bankrupts, it seems to me that fourteen have been ruined by speculations in things with which they were unacquainted; three by neglected book-keeping; ten by trading beyond their capital and facile means, and the consequent loss and expense of accommodation bills; forty-nine by expending more than they could

reasonably hope their profits would be, though their business yielded a fair return; none by any general distress, or the falling off of any particular branch of trade." Another officer of the same board reported that, of fifty-two cases of bankruptcy which had come under his care, "not one of them can be attributed to any general distress. It is my opinion," he adds, "that thirty-two of them have arisen from an imprudent expenditure, and five partly from that cause and partly from a pressure on the business in which the bankrupt was employed. Fifteen I attribute to imprudent speculations, combined in many instances with an extravagant mode of life. . . . The thirty-two classed as failing through imprudences in their mode of living include many whose necessities, leading them to resort to accommodation-bill transactions, have become the prey of money-lenders and their attendant harpies, the inferior class of solicitors."

From these statistics of failure the prospective money-maker might well shrink in terror and dismay, with an internal apprehension of almost certain poverty. But it should be noticed also that in the total list of business men are included some who have succeeded well; and if they have triumphed, another, by following in their footsteps, has as good a chance. Mercantile and other business can certainly be so conducted as to be profitable, as surely so as the banking

business. Nothing is hazarded in making this assertion; and if previous writers had not failed to prove it by showing the defects of mismanaged mercantile business, no new books on the subject of money-making would be needed.

Mr. Freedley, for instance, remarks: "As to the causes of failures, we are sorry to say that we have not been able to find any satisfactory certificate." On the contrary, we assert that the causes of failure in mercantile or any other business are as apparent as the causes of failure in banking. There can be no question on this subject. All banking is not successful; but if the officers of banks are capable and honest, hopeless failure seldom, if ever, occurs. To make merchandising as safe as banking is all that the most conservative could desire. Generally speaking, banking is conducted by men who have had large experience in other business, and have been measurably or greatly successful. Their securities, and in truth all their business transactions, are the result of conference, deliberation, and argument, between several persons well trained in business. By this means all doubtful operations and securities are excluded, and only those in which all agree are undertaken.

Mercantile business, on the other hand, is not often conducted in this way, and hence is seldom successful. Let any man or any partnership of men commence dealing in the articles themselves, instead of the paper which represents them, such as the bankers handle,

use the same discrimination as the bankers in judging of credits, and have the same amount of capital in proportion to the amount done; and the mercantile business would pay the best. The losses would be no more, while the profits would be greater.

Who are they that go into business of the more precarious character, as now conducted? Mr. A. has a son who has chiefly distinguished himself by his elegant kid gloves during a term of three or four years as clerk in some well-regulated establishment—or possibly he has not yet seen the inside of any business whatever. His father, who has money, is naturally anxious to see the son doing something for himself. He looks about, and the son too, to find some opening of business. A weak house already established hears of a good sum of money with an insignificant attachment to it in the shape of a youth in kids; and being in want of capital, as most houses are which will consent to take an untried stranger into their business, they seek out the inquirers, agree to their terms, and the son's name becomes the tail-end of a showy sign in gilt or the "& Co." added thereto by the skill of the painter.

The man in kids has been advised about how much his investment will yield him in profits; and hence, since profits, in his judgment, are made to spend, he easily arranges, by means of fashionable boarding-house, livery stable, theatre, and the rest, a basis of expenditure corresponding with the golden bait held

out to him. Most of the capital he puts in goes speedily to pay borrowed money and other arrearages of the firm, and the balance runs smoothly into paying the first notes due for merchandise already sold and lost. The new firm obtains new credit, a larger stock of goods than before is purchased, a heavier business is done, and the books really show larger gains. The young gentleman with the gloves reports results to his father, who is greatly delighted thereat, and the swelling income of the son makes him to be esteemed a prodigy in the family and an object of unwonted interest among the dowagers who are on the look-out for suitable matches for their daughters. His society is much sought; he is invited to dinners, sociables, parties, balls; he presently finds himself engaged, he hardly knows how, and finally married. All parties are in high glee and boundless hope; his money flies right and left, for, from the look of their business and the book-keeper's reports, no serious inroad will be made upon his fortune by such lavish expenditures. Now, no one need be told of the likelihood that the affairs of the firm will soon become involved, that a general smash-up will end the career of extravagance, and that the members of the firm, after living a year or two on the little money that could be saved from the ruin for immediate needs, either betake themselves to new business, or, resolving to profit by their unhappy experience, make a fresh

beginning of the old business, with such means as they can scrape together.

This is but a single phase of embryo mercantile life, and may be regarded as perhaps an extreme one ; but the outline will answer for almost any unsuccessful case by making substitution for other states of life and other circumstances. If ignorance be substituted for kid gloves in the story, a yet larger class of failures will be foreshadowed ; and so throughout with the whole catalogue of qualities that make similar results sure. But there are sometimes cases of failure that have few, possibly none, of these elements in them. Strong firms may be prudent and careful, successful for a long period of years, and then be borne down by outside misfortunes, apparently altogether beyond their control. As a means of money-making, however, it is doubtful if any surer business can be found, if it be properly conducted, than the mercantile in its various lines. It is based in the absolute necessities of life, and under good management money and profit must flow out of it. The manner of conducting it rightly is the one thing necessary to be known, and to be followed when known. Success will then attend effort in almost every instance : the exceptions will be so few that they may be set down to incompetency for the business.

The direct cause of mercantile failure can in many instances be found in the banks with which the failing houses have transacted business. It is a serious evil ;

but no remedy exists for it, except in the men who are concerned taking proper views of the initiatory steps, and proceeding accordingly. The man, or firm, say, opens an account with one or more banks, and deposits all spare funds. So long as these last the bank will lend on good paper, bearing safe names; and sometimes longer. The merchant, manufacturer, mechanic, or whatever the depositor may be, soon directs his course of business upon the implied or perhaps formally agreed amount or line of discount. New enterprises are undertaken, legitimate enough, but requiring more money than was expected; so the balance in the bank account is reduced. The argus-eye of the president or cashier lights upon the situation, and the next application for a loan is refused. Helpless in the hands of the banks as poverty itself, he must seek accommodation from other sources. He applies to a private money-broker, and is met with the natural question, "Why will not your bank handle your paper?" He is seized with distrust, if not distress; for now he must submit to a close shave, with the piling-on of securities till he is at the end of his resources, or else he must stop.

On the other hand the bank, notwithstanding the implied bargain and the fact that he has paid everything so far, learning that he has been compelled to resort to the usurers, concludes that his paper is not safe, and presently runs out his discount line. If he survives the crisis and keeps his head above water, it

grants him in time a new favor, and squeezes him again as before. These operations, repeated a few times, ruin the borrower's credit; he can not get money either in the bank or outside; and failure is the inevitable result. It can not be said, however, that the bank is always in fault in such cases. It is bound to be secured; but there may be some fault involved in the transaction, not easy to charge certainly to the one party or the other.

These difficulties and dangers can all be avoided, in a manner to be explained hereafter. The point now in hand is to show how the most money may be made in every department of business. The handling it after it is made is a quite different thing. The one may be well understood by a person, and he be successful thereby; while the other is not understood in its very elements, and thus success, failure, and poverty go hand in hand through life with the same unfortunate.

How to make the most money out of every vocation in life is a profound study. Two great classes are to be considered in the discussion, the employers and the employed. The former make money by the services of the latter, while the latter receive money for their services to the former. So far as mere money-making is concerned, both are governed by the same general principles. The object of the employer is to make the services of the employee valuable, and he makes

money just in proportion as such services are valuable for the money paid. The employee should see to it that his services are made quite as valuable as the money paid for them; and if they prove of more worth, they are pretty sure to be rewarded accordingly. Hence it is, or should be, the object of the employee to be as useful as possible to the employer.

But how is this to be accomplished? The merchant who trades with you is in reality an employee of yours, and you pay wages for his service by the profit you pay him on his goods. Is it his interest to serve you well? If he do not he loses your trade, for you go elsewhere. If he deal dishonestly by you, it is not probable you will return to him for a repetition of his dishonesty. If he is uncivil or impolite, disobliging or discourteous, you feel piqued, lose your interest in him and his establishment, and naturally look elsewhere for the supply of your wants. If you find goods equally cheap, and sold by a clever, civil man of attractive manners, you leave the other and buy of him. But if you find the goods of the first the cheaper, enough so to pay you for dealing with an unpleasant man, you may still continue to buy of him, though unwillingly, and with a constant readiness to change as soon as your pecuniary interest will justify. The large loss ultimately involved in the transfer of your single custom to another, with other calculations, has been clearly set forth in our chapter on Business Manners.

But there are a thousand and one other matters that

conduce more or less to the same end of building up or breaking down a business. As general rules, the following may be prescribed as the more important :

I. A settled character for honesty, sobriety, industry, veracity, and trustworthiness.

II. Pleasant, agreeable, attractive manners ; never repulsive, civil, without cringing or fawning ; dignified, without reserve ; and an even temper, unruffled always in any business, social, or domestic transactions.

III. Study the interests of those with whom you deal, as well as you can, and let them see and feel it, since that will secure a repetition of orders and bring business through those who deal with you.

IV. Be the most skillful in your calling, if possible. For this end summon to your aid such knowledge of others bearing upon it as they have gained by reading, conversation, or observation, remembering always that knowledge and its application with practical skill is the most profitable qualification you can possess, and that every new idea you acquire and use well will be without doubt a good sum of money in your purse, gained or saved from loss.

An important requisite for money-making is the ability to judge well of the markets and of the real wants of the people. Some sad failures have resulted from mistaken judgment in this particular. Mr. Reade relates the following pertinent incident : In a New England village, within the last ten years, a company was formed to manufacture a certain kind of

nail, and between one and two hundred thousand dollars were put into the enterprise. When the nail was made it was found that the demand was so exceedingly limited that a single week's work of the vast establishment would supply the market for an indefinite period, and the issue was that the concern was wound up by paying the stockholders ten cents on the dollar, in less than two years after the company was formed, the profits of which were estimated at the outset as promising to be anywhere from two to five per cent a month.

No one in this country, out of debt, and with saving habits and good health for himself and family, can fail to make money who gets a good employment and remains in it honestly and industriously. It is the easiest part in the great work of acquiring an independence or a fortune. The more difficult is the saving, the investment, the management of your gains, so that what you do make shall be safely and surely kept at work making more. As the reader must readily perceive, the moment he has money to invest and set at work, that moment he stands in need of knowledge which he probably has not gained in his previous business. For how can the laborer, who has never done the like or seen it done, be expected to know how to do it? or the carpenter, who has shoved his plane for years, to know the way to do well the business of a banker or other financier and capitalist, which takes ex-

tensive knowledge and a similar apprenticeship to his to acquire? To know that you do not know how to do the business of such an operator, if you have not been trained to it, is the first and all-important idea, in saving and investing what you can. You are in a manner in the place of a child who would be as apt to play with live coals as with his toys, if he had not been told that they would burn him or had not learned the fact by painful experience.

The old, familiar adage, "Every one to his trade," applies to this case with astonishing force. And do not suppose for one moment that its sole application is to the laborer or the mechanic. All, or nearly all, who make money are ignorant of much that must be known in order to the best investments and to making money with money. The intelligent merchant would know it all, you think; but alas! how many failures are recorded in this line of business from unfortunate "outside operations"—not failures to make money, for they quite commonly do this in their regular business, but failures in judgment of the values and ultimate profits of what they invest in after their money is made or while they are making it.

So that, when the reader has been told to beware, to look out, to be cautious, when he has made a dollar, and that his danger begins just here, and nowhere else, he has the opportunity to learn the most valuable lesson of his life in money-making. There need be no fear of want of employment, of getting business, of

selling goods, or generally of doing a money-making business in what you intelligently undertake ; all danger and trouble lie in the parting with your means for the purpose of increasing and making more. And if you are perusing this book for the knowledge how to accumulate, you will do well to stop right here, read the last pages of this chapter over and over again, and so learn where all the reason rests why you have not made a fortune, if you have not ; and you can very likely put your finger on the identical spot which marks or may hereafter mark your failure. The remedy will be shown hereafter.





CHAPTER X.

FIRST STEPS IN BUSINESS.

Three things are essential in order to establish any new business dependent on regular customers: First, to attract them; second, to impress them favorably in the beginning; and third, to attach them by personal liking, which is often more powerful than pecuniary interest.

FREEDLEY.

For the structure that we raise
Time is with materials filled;
Our to-days and yesterdays
Are the blocks with which we build.

The heights that great men gained and kept
Were not attained by sudden flight;
But they, while their companions slept,
Were toiling upward in the night.

LONGFELLOW.



THE object of this chapter is to present a few suggestions concerning the start in business, which is all important as determining the beginner's principles and methods of business, and so his success or failure. "Well begun is half done," says a familiar maxim. Very wise are the remarks, to similar effect, of the Rev. Dr. James W. Alexander, of Princeton: "Honor and success are on the side of him who has not begun wrong. In morals, as in business, true

prosperity comes from a fair start. The first steps in trade, the first hours in a situation, throw forward their influence. The ship is built on the model which is first laid down. The plans with which you put on your office coat the day you enter your shop, store, counting-room, or bank, mark your direction. As the railway switch is turned, so your track will be. All which is so well known by employers that they commonly form their judgment of the entering lad before the first week is out, and find a verdict thus: 'John is dull'; or, 'He is heedless'; or, 'He is awkward — all his fingers are thumbs'; 'You see he is an eye-servant'; or, 'He is incurably lazy'; or, 'He has all vices in one, for he lies now, and will swindle hereafter.' If it is the end that crowns the undertaking, it is the beginning that gives it form."

We know of no better feeling to start in with, as looking to an honorable and successful career, than that elaborated somewhat in our chapter on Business Qualities — Self-reliance. Says Mr. John Freedley:

"It is a mistaken notion that capital alone is necessary to success in business. If a man has head and hands suited to his business, it will soon procure him capital. My observations through life satisfy me that at least nine-tenths of those most successful in business start in life without any reliance except upon their own head and hands — hoe their own row from the jump. All professions and occupations alike give the field for

talent, perseverance, and industry ; and these qualities, whether in the East, West, or South, sooner or later will crown the aspirant with success. But to enable the new beginner to succeed, he must not be allured from his course by attractive appearances, nor be driven from it by trifling adverse gales. He must fit himself for the calling he adopts, and then pursue his course with a steady eye. The first and great object in business is to make yourself independent—to have the means of livelihood without being under obligations to any person ; whatever more is acquired increases the power of doing good and extends influence.”

It is a good thing for a man, however self-reliant he may be, to have the counsel and co-operation of a wise, good, prudent wife. Such a companion has made the fortune of many a man who would otherwise have gone to wreck. She need not have wealth ; indeed, it is often better for both parties that she should not. The great Boston merchant, Amos Lawrence, recommended early marriages to business men, but deprecated marrying for money, or with money on the wife's side. A seemingly desirable match for a friend was once mentioned to him, when he said : “ My only objection to her is, she has a few thousand dollars in cash. This, however, might be remedied ; for, after purchasing a house, the balance might be given to near connections or to some public institution.”

Setting up in business for one's self, the choice of a location is often of prime importance. It is well understood that neighborhood to some place of general resort by the community, as a post-office, city or town hall, and the like, has some special advantages. But it is not so generally accepted that a good trader or mechanic, other things being equal, loses nothing by being in the immediate vicinity of another establishment of the same kind. A story is told of a man who was doing a small business in hats and caps at a distance from another of the same trade, who improved largely the business of both by moving into the same quarter, and agreeing that they should mutually abuse each other! Shops of precisely similar character often flourish side by side. Mr. Maher has some good remarks on this subject in his book, "On the Road to Riches."

"If I were starting in business, the first point to which I would naturally pay attention would be to obtain a proper room in the best location. It is essential to the success of a retail tradesman that he should establish himself in some leading thoroughfare. It is much easier for you to go to your customers than to draw customers to you. A wholesale dealer will or should naturally locate himself among the wholesale dealers; and if there is one particular street in the city where his branch of trade is generally located, there is the best place for him to commence business.

"In selecting a locality always bear in mind that 'a

rolling stone gathers no moss.' Fix upon premises that you may stay upon as long as you live. 'Three removes are as bad as a fire,' is as true of business as of household affairs. Having found the store you want, do not put in an article until you have secured a lease of it. No one should be a tenant at will. If you are successful in building up a good business, you make the store a more valuable one. It is more valuable to you, because your customers know where to find you, and have become accustomed to stopping at your door. It would be very valuable to other dealers in your line of business, as they, by occupying the store, would catch a good deal of trade that was meant for you. Consequently have a written lease of the room or rooms, and take the lease for a number of years, or for a few years, with the privilege of continuing it a longer period."

The first impressions made by a man in business are apt to be enduring. Hence special devotion, fidelity, accuracy, fairness, and most other good qualities of a man of affairs, are called into requisition at the outset. Many successful and famous men, who went up from humble beginnings, have remembered with satisfaction and pride the reputation of their early work. When Andrew Johnson, who rose from the tailor's bench to become President of the United States, was taunted with the humbleness of his old trade, he replied without shame, "And I was a good one: I

made good fits, and gave satisfaction." Do the best you can from the beginning.

The cash system of purchases and sales is the only truly safe one upon which to begin or continue business. Mr. Gazzam, who wrote a book on Bankruptcy, with full knowledge of the subject, says :

"Without adopting the doctrine or opinion of a celebrated American statesman, that those who do a credit business ought to fail, we do not hesitate to recommend to merchants or others having goods, wares, or merchandise to dispose of, to adopt, so far as possible, only a cash system, — not the system commonly called 'cash or thirty days,' but an actual exchange for cash of the property sold, at the time of sale or delivery. For, although their profits on such sales may be less, we venture the opinion that their ultimate business gains will be greater. When giving credit becomes unavoidable, and security is required and the debtor agrees to give it, *in all cases* it ought to be obtained at or before the sale, loan, or other transaction ; or where the security is intended to cover a series of credits, then before the first sale is consummated by delivery of the goods or the first loan by handing over the money. Securities covering the series of credits should be obtained at or prior to the time of the first transaction ; for where payments are made or securities given without passing consideration, there will exist a taint of bankruptcy if it should

afterward appear that the party making such payment or giving the securities was insolvent at the time he did so. Hence, where it is suspected that a person offering to purchase and desiring credit is either insolvent or that he may become so before the maturity of the credit, it is only by obtaining prior security or security at the time of the delivery of the goods or advances, that the creditor can, in case the debtor should afterward fail in business, secure the debtor from the imputation of having committed a fraudulent act subjecting him to all the penalties of the bankrupt law. A trader ought to be continually on the alert in dealing with those of whose solvency he is not fully satisfied, so that he may obtain an equivalent in money or property or good security, at the time of the delivery of the commodity which he is selling."

A copartnership is often desirable, either from the limited means of any one of the parties undertaking business by himself, or from family or other considerations. Partnerships between brothers, and generally with other relatives, are notoriously unfortunate; although there are many shining examples to the contrary, as the Harper brothers in this country, and the Grant brothers of Walmesley, England, whom Dickens is thought to have immortalized in his story under the name of the Cheeryble Brothers. But such connections should be entered upon with great circum-

spection and care. Indeed any proposal of partnership should be the subject of the most thoughtful deliberation and inquiry. Mr. Sargent remarks: "The trust reposed in copartners, notwithstanding all precautions, is wholly indefinite and unlimited; and when one thinks of forming a copartnership with another he should ask himself if he is willing to trust him with the power to ruin him; for such, and no less, is it."

Some good tests of fitness for successful and enduring partnership are furnished by a distinguished commercial lawyer, who had much experience in the results of unfortunate alliances of this kind. He inquires, on behalf of the business man contemplating association with another: "Is he a man of good temper, with whom difficulties will not be likely to occur? Is he placable, one who will not lay up the memory of an accidental slight, of a heated expression, or of an unreasonable wrong, which you have done everything in your power to redress? Is he a man keen in the pursuit of his own interest? Will he listen to any candid views adverse to his own? Will he in a difference between you be willing to unite with you in consulting mutual friends as mediators? Are you sure of his principles? Do you know his associates? All these are questions not merely of taste and curiosity, but entering into the very essence of your decision as to a partner."

In making arrangements for partnership in a business that you or others have already built up, or in purchasing an established business, the question of "good-will of the business" usually comes in as a cash consideration. The following extract from Mr. Freedley's treatise supplies a good rule for estimating its value:

"Good-will, which means the favor of the customers who frequent a business place and the possibility of their continuing to deal there, is so essentially speculative in its nature that there is no general rule for estimating its value. In most cases, however, when an established business is sold, the stock is taken at its net wholesale price, the fixtures at two-thirds of their original cost, and a sum is paid as good-will equivalent to the net earnings of the previous year, as shown by the books."

In general and in brief, as a summary of all necessary requirements in the first steps of business, it may be said that the beginner needs to be as able and as good a man as he can be, by all the thought he can give, the care he can exercise, the labor he can undertake. In the present stress of competition and wide complication of affairs, he must be a true man indeed "to the top of his bent." Said Mr. James Holford:

"The steps from the foot to the summit are not many, but each has a name which must be distinctly known by all who would seek to climb. The first

step is Faith, and without this none can safely rise; the second, Industry; the third, Perseverance; the fourth, Temperance; the fifth, Probity; and the sixth, Independence. Having obtained thus high a position on the ladder, the future rise is easy, for Faith will have taught the climber never to doubt or despair; Industry will have kept him from vice either in thought or deed; Perseverance will have shown him how easily difficulties are surmounted when calmly met; Temperance will have preserved both health and temper; Probity will have ensured respect and given stability to the character; and independence of spirit, while it will give dignity to the man, will certainly gain the admiration of the world. One step more has to be acquired, which is experience—the only true knowledge of life; and then the summit of the ladder is surely reached.”

“We have not wings; we can not soar;
But we have feet to scale and climb
By slow degrees, by more and more,
The cloudy summits of our time.

“Build to-day, then, strong and sure,
With a firm and ample base,
And ascending and secure
Shall to-morrow find its place.”

LONGFELLOW.



CHAPTER XI.

THE APPRENTICE

If on you is injunction laid
Physic or law to make your trade,
Or preach the Gospel,
Obey, in faith, the guiding voice
Which chooseth for you;
But equal honors wait upon the plow
And crown the blacksmith's soiled brow.

D. H. JAMES.



AN apprentice, in the strict meaning of the term, is one who is bound by an article of agreement to remain with another for a definite period, for the purpose of obtaining a practical knowledge of an art or trade. But in this chapter it is intended to include all persons who are getting such elementary knowledge, whether bound by indentures or not. In every department of industry there are different kinds of knowledge to acquire; and therefore, what may be useful to one is not generally useful to another. In some foreign countries a "premium" or sum of money in advance, perhaps a large one, must be paid by the intending apprentice for the opportunity of acquiring this knowledge; but in this country it is very seldom that such payment is required, and on the contrary a mod-

erate amount, enough to provide bare necessities, and increasing slightly from year to year, is paid the apprentice for his services.

In mercantile business there are two intermediate steps to the principal or employer—the apprentice and the clerk; in the mechanical and manufacturing trades, three—the apprentice, the journeyman, and the foreman; in farming and gardening, two—the apprentice and day-laborer; and in intellectual lines but one—the student.

The apprentice to farming or gardening should have a good common-school education, sufficient to enable him to read intelligently works on agriculture and to learn of the best implements used, the best grains grown for profit, the composition of soils and what they require for raising the several grains, that the proper fertilizers may be applied at the proper time. He should know the best stock for the farm and the market, study their characteristics and the diseases to which they are subject, and be able to recognize any such disease at sight, with its remedy. In brief, he should have all the practical knowledge possible about land and its products, stock and its most profitable products. Then, if at any time the land become unproductive, he knows at once what means of relief should be applied. He should also have a good acquaintance with the use of tools, and may well own a set of the commoner and more useful kinds, and use them wherever he is employed.

He will find that thus he can save or make many an extra dollar. A farmer may easily learn of implements that he can himself construct on stormy days, when he can not work out of doors; and the sum total of their value will in a few years amount to a large figure. In truth, to be handy with tools upon a farm is about as necessary as to know how to work the soil, if the farmer intends to make the most of his opportunities.

"But," says the farming apprentice, "I can make no money by this: what encouragement is there for me?"

If you are bound out to the farmer until you are twenty-one, there may not be much money in your business until after that time, though the apprentice has usually a tolerable outfit of clothes given him at the end of his term. But there is no business that does not demand knowledge and special preparation for its pursuit; and in this respect farming does not differ from others. The apprentice is not making surplus dollars in hand; but he is accumulating capital in the form of knowledge and skill, which will be even more serviceable to him in the long future, and will bring him money enough in due time.

If, however, the apprentice is not bound by indentures, but receives regular wages and provides for himself, he has an opportunity for gains. Let him begin at fifteen years of age and get ten dollars a month till he is twenty-one, and he can make some

money. By economy he can clothe himself and have all absolutely needed comforts on half that sum, leaving \$60 per annum as his net gains. These, invested and improved at seven per cent for the six years till he is twenty-one, will amount to the comfortable little sum of \$407 — enough to make a good payment on a farm of his own, or to buy a considerable tract of wild land. But if he continues to hire out, and has done all in his power to make himself useful and learn everything as an apprentice, he ought now to be worth \$20 a month or more; and if he increases his expenditure to half that sum he will still have, if he keeps at work at the same rate till he is thirty-one, \$2,484, by improving his \$407 at compound interest and his earnings for the ten years at seven per cent. This will buy a good-sized farm in many parts of the country, already improved and stocked, and make him while still a young man an independent owner; for a man is independent who owns the farm upon which he lives. Not one person in one hundred has so large a sum at command, earned and saved by himself, at this age. If this young man puts his gains into a farm that will yearly give a profit of seven per cent, or improve it otherwise at this rate, he will find the truth of the comparison; and will find the truth much more emphatic when the comparison is made with men at the age of, say, seventy-one years. He will learn by the tables of compound interest that in fifty years — that is, when he has reached the age of

seventy-one — his \$2,484 has mounted to \$37,185.48; and if during these years he should earn from his farm a profit of but one dollar a day, which he has improved in like manner, he would make in savings and interest \$65,621, which, added to the other sum, would give a total of \$102,806.48. It is safe to say that not one in a thousand possesses this sum at that age. But the example is given to show the apprentice at farming that his occupation is well chosen when he has the opportunity to make more than do nine hundred and ninety-nine in every thousand business men, besides learning a business highly reputable and useful, and one of the most independent in the world. This branch of the topic is further pursued in our chapter on "The Farmer."

The mechanical or manufacturing apprentice may take in a wide range of employment in these lines of business. Here the system of binding boys to a regular apprenticeship for specified terms is much more common than on the farm. The compensation is comparatively small; but the opportunity of learning a trade, at which good wages are sure at the end of the term, makes such apprenticeships to be eagerly sought for as a means of getting a living, of making money, and advancing to a principal's place in the business.

They furnish immediate means of support, and the promise of sure footholds for the future. On this account there is a good deal of competition for places

as apprentices, and much restiveness at the restrictions placed by the trades-unions upon the number of apprentices to be taken in some trades.

Some highly important principles apply equally to all apprentices. Every youth in this position should realize that he has a future, and that, although he gets his living for the present, his hope of larger pay and place lies solely in the future. In truth, they work to-day for what they are to get to-morrow. In what way, then, shall they ensure the largest possible receipt of money? This is the great question. The intelligent apprentice must see at once that, if he learns nothing, improves not at all, he can not reasonably expect ever to get more than he does at present. But if, on the other hand, he makes a good artisan of himself, he will receive a good artisan's pay; and as the artisan's pay varies according to the quality of his workmanship, to be of the best quality is to get the most pay possible from his trade.

Fidelity and Industry are among the very first requisites to the good apprentice or journeyman, or laborer of any kind. Hardly anything else will so highly commend him to an employer, and promote his advancement. Let him take the lesson of the old story about the man who was engaged to break flax. So long as he was hired by the day, his rude old implement went slow, its sound saying as plainly as could be, "By—the—day. By—the—day. By

— the — day.” The owner of the flax, dissatisfied with the progress made, finally agreed with him to finish the business for a certain sum, when the tune of the breaker rapidly changed, and it was heard to say, as plainly as in the other case, “By-the-job; by-the-job; by-the-job-job-job.” Let it be a prompt and honest job, in the interest of your employer, whatever you do.

The object, indeed, of every apprentice should be to acquire the most knowledge and skill he can; and this will procure him the most money, provided he has other qualities that do not detract from his ability to get the regular wages. Some workmen are so disagreeable in their manners, and make those around them so uncomfortable, that after a time they can not get employment at all. Thus forbidding qualities will cost the most skillful mechanic money, as opposite characteristics will gain him money. They make more money for him because they do not stand in the way of his getting the real value for his services, but rather promote it. The apprentice, then, should make sure that he does not destroy his prospects by ill behavior, bad manners, or a churlish disposition; but on the contrary that he studies courteous manners, agreeable and pleasant ways, striving to inspire all with whom he comes in contact with friendly feelings and with personal interest in him and his success. You may be sure that he will make money quite as

fast in this as he will by the knowledge and skill he is gradually getting at his trade.

As means to this end, he should read, study, and amass general knowledge, also lose no opportunity to make intelligent, clever acquaintances, and then cultivate and keep them. Never let go of a good friend, if possible to avoid it; for that very one may be able some day to throw a fortune in your way. Of course one must always have a higher motive for this than mere material advantage, while he bears in mind that to neglect it may finally land him in the poor-house. He has certain ends in life to accomplish, which he can reach by any honorable means. His general character, as it develops in practical affairs, has more to do with success than he may think. Therefore spare no pains, young man, to make yourself beloved of your employer. You may take many turns of head and hands in doing your daily work; take but a hundredth part as many to please him by kindnesses and personal attentions, and be assured that you will in the end make more money in that way than by your labor. Do the like to every one with a good feeling at your heart, and you will make still more.

The frequent repetition of this injunction may tire the reader; but it is of sufficient importance to be repeated on every page, and even then its full strength would not be known. He must exercise patience, even though the story be given him in "line upon line, precept upon precept, here a little and there a

little." It may weary, but so does work; and work must still be done, for work makes money.

The merchant apprentice has a wider field, with more numerous opportunities of employment. He is seldom bound by a legal instrument to his employer, but receives a small compensation by the month or year, which is gradually increased as his services become more useful. His compensation is higher than in either of the former cases, for his necessary expenses are greater. The business done is different, and requires a more expensive dress and a somewhat better mode of living. It would hardly be a money-making operation for the merchant to place behind the counter a youth who might be dressed fitly enough as a mechanical apprentice or as a farmer fresh from the fields. The one kind of clothing is in its place quite as good as another; but there might be money lost by their interchange. It is on this account that a difference exists between the prices of labor in one department of trade as against another, even where knowledge, skill, and physical ability are equal.

An apprentice can not be worth much to the merchant unless he is incited to labor by other considerations than his own advantage and advancement, and the moral obligation he is under to do his duty. If he take no interest in the inside of his business, he may better be outside altogether. If his thoughts and feelings are elsewhere, his employment should be

there too. In order that the apprentice may make most for himself and his employer, his mind should be concentrated upon his duties; and he will know when he is doing his best by the high pleasure he feels and the pride he takes in his occupation, in the sense that night comes too soon and the time for resuming in the morning comes too late. If he can realize these in his consciousness, his success is sure.

There is also a certain something else about the conduct of the apprentice that foretells his final outcome. For illustration, a man of close observation and clear insight into character, entering a hardware store, saw a lad trying to nail up a box of goods. He tugged away at it for some time, paying no attention to anything occurring about him. He had nearly finished nailing on the cover, when the nail he was driving struck off, and flew into a pile of hinges near by. The boy stepped to the pile and looked for a moment; but not finding his nail he stepped back, laid down his hammer, and deliberately set to work unpiling the hinges to get it. He succeeded, repiled the hinges, and then drove the nail home, saying to himself, "Served me right; I shall be more careful next time." The gentleman remarked as he saw all this, "That boy will be a rich man if he lives." In thirty years he was the richest man in his line of business in the city of New York.

Another case, from a different field of labor, comes to us as this chapter is in course of preparation. A

few years ago a lad entered a printing office in England as an apprentice. He was slow in his movements, and the irritated foreman often scolded him for not working rapidly. During a rush of work the foreman would call out impatiently, —

“Bob, how soon *will* you have that job done?”

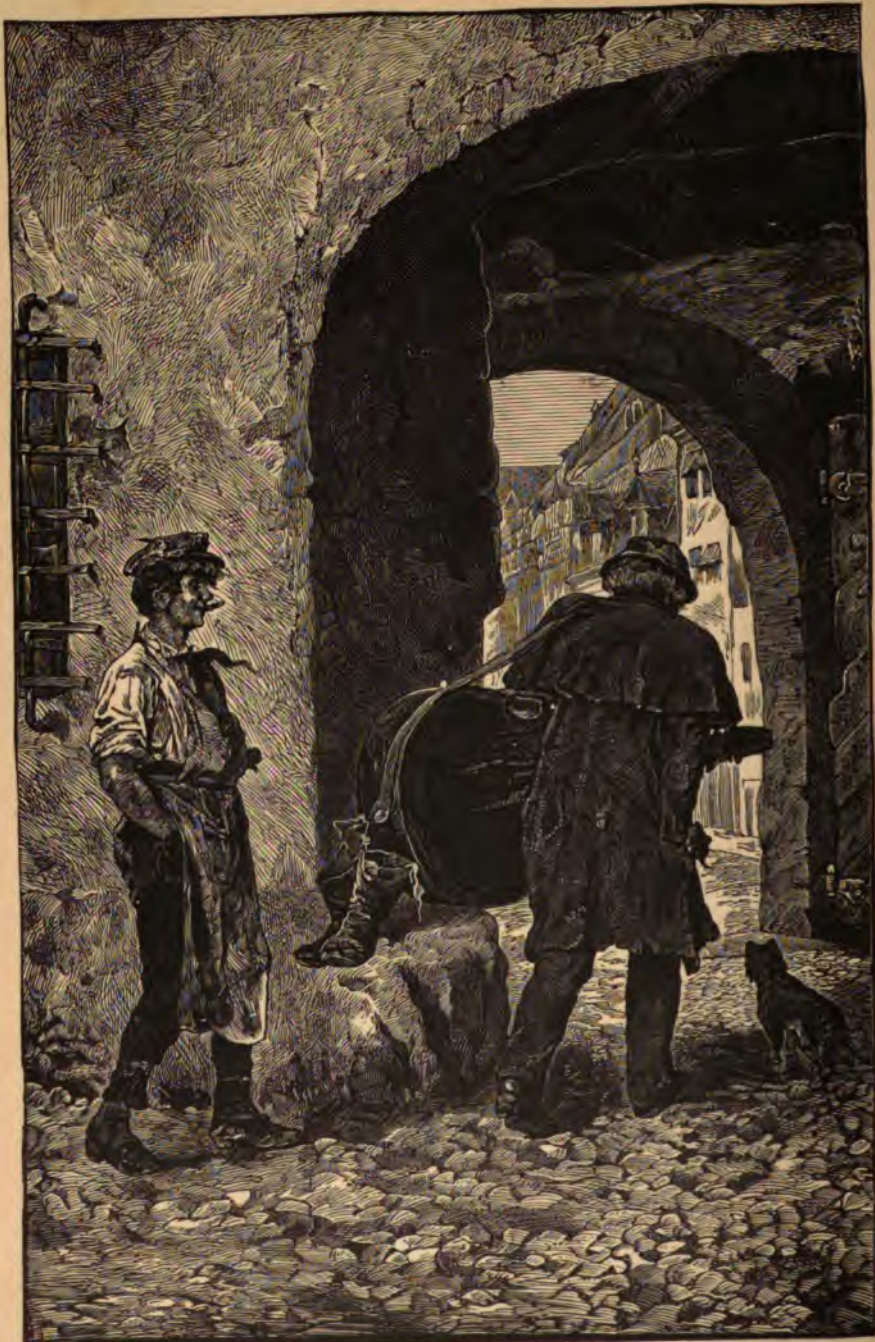
“In an hour, sir,” or, “Not before two hours and a half, sir,” would be the calm but provoking answer.

The other boys, when asked a similar question, would reply, “In a few minutes, sir,” and thereby soothe the impatience of the hurrying foreman.

But the overseer was not blind, though he was nervous and a “driver.” He noticed that Bob’s job was always finished at the promised time. The other boys, on the contrary, were never up to time; for their “almost ready, sir,” meant nothing more than their anxiety to avoid a scolding. The result was that Bob became the trusted boy of the office, and was allowed to take his own time in working out his task. He carried this habit of doing exactly what he said he would along with him when he was promoted. To-day the “slow” boy of ten years ago is the foreman of the office, and oversees one hundred men.*

Now, it was not so much the trifle of the nail in the one case or any single job in the other, nor any of the attendant circumstances, that led to the important conclusions in both. But “straws show which way

* The Youth’s Companion for May 22, 1884.



THE IDLE APPRENTICE.

the wind blows ;” and conversely it may be said that the wind shows which way the straws will go. The manner in which a thing is done reveals to an observant eye the bent of mind which prompts and guides it. And if an apprentice is to be seen standing listlessly around in a store, or leaning upon a pile of goods or braced up against a door-post, when a hundred and one things are waiting to be done to his and the store’s advantage, he may be set down at once as a pretty nearly worthless fellow, with no special thought on his business. The straw shows which way the wind blows for him. But if he is restrained from general usefulness and holds back from doing whatever lies ready to hand, because others in the same establishment do not do it, he is a straw whose final direction of going the wind will show. Therefore others of maturer age and higher position would do well to reflect whether their conduct indicates the way the wind blows, and regulate it accordingly.

The custom in this country is such, in regard to mercantile apprentices, that it is hard to say exactly at what point his term ends and that of the clerk begins. All are commonly and alike called “clerks.” We must content ourselves by saying that the apprentice may be regarded as still a youth, before he has attained sufficient knowledge and skill to enter into the higher branches of the business — that is, before he takes a department in charge, either at the books or in receiving, shipping, and the like. In order that

he may know that such services as he does perform will all receive their reward sooner or later, he is referred to the story of the two salesmen related in a previous chapter. He may see there a parallel to his own case, on the one side or the other; and if he does not get the full value of his services this year, he may nevertheless be preparing and laying by in reserve his earnings for another. Depend upon it, the unchangeable law of value will apply in his case, as in all others.

We again urge the young business man to cultivate pleasant manners, with a frank, open face, reflecting the feelings of the heart. Strive to impress every man with whom you deal that you are fair and just. Tricks in trade are carbuncles and cancers on the face of such success. Men will be as shy of you with such guide-boards and signs upon you, as they would be of the dreadful things themselves. And do not flatter yourself that your tricks will not be found out; for they quite certainly will be. Even if they are not, they are true indexes of character, and character *must* show for itself. Just at this period the character is crystallizing: see to it that no blemishes are imbedded in the crystal, as insects sometimes are in amber, for all to behold who are near you in after life. A misstep at this point, or a small dereliction from rectitude, may be fatal in its consequences, growing wider and greater the longer you live.

If you are so unfortunate as to be employed by a

house which has a specially disagreeable partner, or a leading subordinate who enjoys the confidence of his principals because he is deceitful enough to succeed in his object of getting a high salary for prominent services, and has sufficient acrimony to make himself hated by every one else, be as cautious of him as you would be of a robber. If he should come to think or fancy that your ability may soon or late be in antagonism with his, you are likely to be ruined, and would do well to leave at once. He will turn to your disadvantage, in the minds of your employer, every act you do, no matter how well it is done. If he finds he can not oust you in any other way, he will personally insult you, relying upon your inferior position and his superior strength to attain his ends. If you still remain, he will increase his hostile efforts until he will destroy, by untold and manifold annoyances, your taste for business and your desire to please.

Better leave at once: there are gentlemen enough whom you can serve. Such boors and oppressors are usually the ignorant and low-bred, the originally obscure who have managed to rise to the surface and float for a time in the sunshine. But such base natures after a time become known in their true character, and the refiner's skimmer consigns them to another and fitter sphere. Yet they may have lived long enough to do you harm. Be on your guard against such obstacles in the way of success, and let

no considerations tempt you to entrust your fortunes and the formation of your mercantile character to such a deformity of manhood. Look well, indeed, to the character of those with whom you are to associate yourself, and do not be over-anxious to take a place, if you can not do it among honorable merchants and high-minded gentlemen. Fortunately, examples such as we have cited are few, while there are many which include everything to be desired.

The student apprentice, like the others, is laboring for skill and knowledge in his chosen profession. What has been said of other youth in this chapter will in most respects apply equally well to his case and to his prospects in business life. Every day brings to the seeker golden opportunities for the acquirement of knowledge; and when the day is gone that opportunity has likewise gone. If the young could now and then be placed at the standpoint of experience in future life, and look back from it to the period now under treatment, how differently they would estimate and improve their opportunities! All are striving for a living, and something over; and while they begin their career with competition and strife, and very likely end it similarly, the object for which all labor in ninety-nine cases out of a hundred is caught in one hand only to be cast away by the other. Is it not, then, well worth while for the young apprentice, among all his gettings, to get some knowl-

edge how he can do as well in the world as does one in a hundred? He studies everything to learn how to get money—in other words, how to get the knowledge by which he can get money. But has he ever studied how to get the most with the knowledge he acquires, as well as the nature of the thing itself—the reasons why it will not stay with him, and why, after doing all that intelligence and perseverance could do, he is left still on the down-hill side of life, with just these in full action, and can not point to a single day's labor accumulated as the evidence of what he has done?





CHAPTER XII.

THE WORKINGMAN.

I am brother to the worker,
And I love his manly look,
As I love a thought of beauty
Living, star-like, in a book.
I am brother to the humblest
In the world's red-handed strife,—
Those who wield the sword of labor
In the battle-ranks of life.

ANONYMOUS.



ANNUAL labor underlies the whole active structure of society, is the bone and sinew of the nation, and the chief source of its wealth. It feeds and clothes all; it builds our houses, works our lands, digs our canals, threads our railways, launches our ships, moves our factories, machine-shops, and commerce. What steam is to the engine, is this great motor to society. But, like other kinds of labor, its value depends upon its quality, and that upon knowledge and skill. No matter upon what he may be employed, the worker has the way open to money-making in two lines — first, by his labor, without reference to its quality; second, by increasing the value of his labor in the ap-

plication of knowledge and skill, and by making himself more useful and acceptable to his employer.

Two mechanics worked upon the same machinery, both receiving the same pay. One was faithful, obliging, polite, agreeable, labored for his employer's interest, was careful of material and of his time, and did his work well. The other did his work as well when it was done; but he was an "eye-servant," was disobliging, uncivil, snappish, cut and slashed material to loss, took his ease about all his work, and was careful concerning only one thing—to put in his time. Both received the same sum at pay-day. The general impression among their fellows was that both were earning money equally fast, and so they would have been as long as both received the same wages. But in the end it turned out that one had been accumulating friends, influence, character, and personal interest; while the other had stood still, if he had not, indeed, lost what the first had gained. The one probably never gave a thought to results, but simply did his duty in common honesty and fidelity: the other had but the thought of putting in his time and getting his wages. Neither of them, then, labored with the idea of making the most he could by his services, for if he had he probably would have worked better; and had he been advised of the means, he would have put himself in the way of receiving extra compensation by advancement. The result was, however, that when his employer was asked to recommend a foreman for

some important task at the South, the personal interest he had been made to feel in the faithful young mechanic led him to forego his own interest in retaining him as a workman, and he recommended him for the place, to which he was appointed.

Now, let us analyze these cases and see whether, notwithstanding apparent payments, the two mechanics did actually receive the same wages for their services. Each received two dollars a day; but when one became foreman his pay was advanced to five dollars per diem for five years, and board paid. So that, considering that he had had to pay his board at home, he now received \$3.50 more a day than he had been getting. Consulting the tables at the end of this book, we find that this sum daily for five years, three hundred and thirteen days each year, amounts to \$6,425.87, with interest compounded every half-year at seven per cent. In the meantime the other mechanic was getting no more than of old. The pair had worked for the same man, and in the same shop, for two years before the one was made a foreman. Really, then, looking forward to the results of his five-years' service as such, the accumulation and improvement of his earnings, it is manifest that while both were laboring for the same pay, one was virtually in receipt of \$6,425.87 more than the other. Or for the two years when they were working together at the same nominal rate of wages one was getting, prospectively, \$11.51 more per day than his luckless associate.

The more fortunate workman, when he became possessor of this sum of \$6,425.87, was just twenty-five years of age; and that amount, improved at compound interest at seven per cent till he was fifty years of age, would amount to \$34,875.98 — a snug fortune, and a certain independence for the remainder of his life, if he had done no more than just support himself in the meantime.

This simple case illustrates a very important principle in money-making, that any one who works for another, and who can not or will not apply the lesson to his own condition, will fail to do that which would make his services worth the most money to himself.

As a means of money-making, all things considered, manual labor is quite as good as any other. The immediate results may not be as great; but on the other hand the wants and necessities of the workingman are not so great as in the more fashionable and extravagant walks of life. It can easily be shown that the workingman, by skill and a proper economy, will have more money at fifty years of age than the average of those who have undertaken a mercantile career. But if the merchant would pursue in a parallel way the same course which the laborer must in order to accomplish this result, he would undoubtedly have the larger means.

Let the laborer consult the tables of savings, and see what he will have in the long-run if he makes

just one dollar each day, puts it in the savings-bank, and improves it at six per cent for thirty years, or from the time he is twenty until he is fifty years of age. It would amount to the very handsome sum of \$25,518, a fortune for any workingman, and enough to support him in good style without labor for the remainder of his days.

But suppose he should wish to work on until he obtains simply an independence of labor, without wishing for more: how is he to ascertain the amount, and the way to secure it? He must decide how much a day he will need for this end—suppose two dollars. He has, then, to accumulate a sum which, placed at interest at five, six, or seven per cent, will yield just this sum. Then how long must he work? at what rate must his savings be improved? and how much must he save per day to reach the regular income of two dollars a day at, say, six per cent? The amount to be saved, as may be seen by the tables, is \$12,167. By examining the thirty-year tables, we find that by saving sixty cents a day we have \$12,770, if improved regularly at five per cent. If the savings are but fifty cents a day, but improved at six per cent, we have \$12,759; if forty cents a day, compounded at seven per cent, the result is \$12,302. By either method independence would be attained at fifty years of age, if one begins working at twenty to secure this end. By this means any laborer, male or female, may determine for himself or herself at what age to achieve a

competence, and begin saving accordingly. If fidelity and industry, good health and capable strength, attend the effort, it will succeed. If not, such reserve of money as has been made under these circumstances will in all probability afford them even more substantial comfort than would an independence and absolute freedom from labor, when gained.

The workingman, knowing his own interest, has every incentive to make his labor as valuable as possible by putting all available knowledge and skill into it, and then performing it in the best way. He will thus make money more rapidly and surely, and in the direct ratio of its positive value. By pleasing ways and obliging manners, as before noted, by taking a hearty interest in his work, and by letting his employer see that he is interesting himself in his interests, he will always secure the highest wages. He should remember always that he has the same opportunity that others have for advancement to higher positions. One of the largest bankers in New York, amassing in his day one of the finest fortunes on the Atlantic coast, began as a porter, and for years swept out the very banking-house where he afterwards presided with singular ability and grand success. Instances are not few, but rather many, where humble workingmen, by industry, perseverance, and skill, have risen far above their former employers in wealth and position. It makes but little difference, in truth, where the industrious, honest, frugal, and persevering make their

start, they are sure to shine out somewhere soon or late. Their good qualities will bring their reward, especially in this country, where all have an equal chance.

The price of labor, like every other commodity, has its market quotation, and varies with supply and demand, and somewhat with the price of other things in the market. The best rule for the retail merchant—to work on low profits, since these will bring the largest result in the end—is a good one for the workingman. Work at fair, not exorbitant, wages, and you get constant employment, just as the trader gets constant trade. If traders should combine to put up the price of goods, declaring they would not sell unless they received a larger profit than would come under competition, it is plain to see the result. Other merchants would be brought in to open stores, and to sell at any profit that would undersell the combination; and those in the combination would have to keep their stores open, pay their own expenses, and make nothing, while the new-comers not in it would sell all the goods and make their own expenses, besides a profit. But again, suppose they were all to combine in selling any one article at a given price—say hops, butter, pork, or some other staple. Every one knows that these articles vary in quality: the consequence would be that he who had the best pork or butter, or what not, would sell all there was demand for, and the mer-

chants who had nearly, but not quite, as good would sell none. In order, then, that all dealers in them can sell alike, they must all keep just the same quality of goods. But it is a familiar fact that goods of the same kind inevitably vary in quality; and the undertaking would simply result in this, that the superior article would be sold first, then the fair to good, and finally the poor, if indeed it were not left on hand to perish.

Demand and supply in labor are governed, and must be, by the same price-regulations as those which prevail in every other department of business; and the attempt to regulate them by any other rules will lead to loss in the end. In this country trades-union societies, for the regulation of the price of labor in many vocations, have sprung up of late years in amazing numbers. In many cases their operation has been useful; in others they have greatly damaged their own trades by putting up wages to such a rate that employers no longer find it practicable to pay them, and prefer to close their establishments. Nowadays there is probably not a week in the year when some factories or workshops, in some part of the country, are not suffering from a "lock-out," by reason of refusal of employers to pay the price of labor demanded. More frequently, however, they suffer from "strikes," where workmen, sometimes in a very wide region of the country, and for long periods of time, abandon their work at the command of their trades-unions. The great strike of the Western Union telegraphers

last year, although it was not long maintained, is a notable recent example.

The moment one department of business, especially one so important as labor, is disturbed by a combination of prices, almost in the same moment all others dependent upon it are disturbed temporarily. But, as in the example of the combination among merchants to raise the price of goods, so in labor there will soon be others who will come into the market to sell their manual services at a profit.

When the merchant finds that he can not sell at the larger price, in competition with the new-comers, he must go back to the old prices. But as he now attempts this he is confronted by perhaps double the former number of competitors. There are just so many goods, ordinarily, to be sold; and as he discovers, to his sad detriment, that he has a heavier competition than before, he must "cut under" in order to effect sales. It all requires time; but all comes around as surely as that customers at any and all times need to buy goods. Similarly with the high prices—otherwise wages—demanded now and then by the trades-unions. People all over the land are in continual want of labor. They must have it; and if the supply for the demand is not to be had in this country, it must be had from abroad, where countless thousands, ground to the dust by the low prices of labor which surplus populations always induce, await the opportunity for emigration to any part of the world where

better prices will be paid them. They will rush as soon as they can to anywhere that remunerative employment can be had, trades-unions or not. Necessity knows no law: they must earn where they can. Any amount of work is waiting to be done at good wages; but Capital is a close calculator, and will not knowingly pay double price for anything, nor any larger price than promises profit. Labor may stand up defiantly and say to Capital, "You can't do without me;" but Capital can reply with more confident certainty, "You can't follow your trade to profit without me." The spectacle in this country is at times just this.

The remedy is simple, as in the case of the combination of merchants. Capital has only to say to Labor, "We will buy you on the same terms as we buy other things; your price (wages) must be regulated by supply and demand, at the market value. As we would not buy of the merchant in a combination to sell the necessities of life at thrice their value, oppressing the poor as well as the rich, so we will not at a time of strike or oppressive demand by a trades-union employ a trades-union man, since he is, for the time at least, combining with his fellows to advance his labor beyond its actual value in the market, and is thus bringing additional distress upon the poor by closing or crippling the factories, locking up capital, and preventing the circulation of money that

is imperatively needed for the common good of employer and employed."

For these reasons, generally combined with others, various industries are from time to time greatly beclouded, and losses of hundreds of thousands, perhaps millions, result to capitalists and laborers, to the temporary, if not permanent, injury of whole communities. The poor grow poorer, and the rich no richer, but rather quite the contrary. The labor market becomes feverish, and is often depressed. This state of things will grow worse, until Capital and Labor have a better understanding, until their relations are more solidly fixed upon principles of unchangeable right, and until all the involved matters find their proper plane in supply and demand, in equity and justice. Many able men, with strong minds, abundantly capable themselves to be great employers, superintendents of large establishments, and the like, are at the head of the trades-unions; and it is ardently to be hoped that their best sense and best judgment will ever be called into exercise in the determination of action by their followers, in the guidance of those whom they control to a just appreciation of the interests of all concerned. The trial of strength between Capital and Labor in this country, if ever carried to a truly effective point, will probably produce results of which few dream. There should, indeed, be no contest: the interests of both are bound by interlinkings that can not safely be sundered.

Labor must inevitably suffer most in the struggle, since Capital can find other sources of profit; but there is infinite danger in the terrible groundswell that may surge up at last, of the desperate poor wanting bread.

Combinations to determine prices have never permanently succeeded, and probably never will. Under special circumstances combinations can be temporarily successful; but the fundamental laws of trade and equity are older and deeper laid than these, and they are as certain to remain forever substantially the same as effect is to follow cause. The sun will sooner rise in the west, or the law of gravity be reversed, than that the regulation of prices by supply and demand will be overturned by combined action. Fitful attempts may be made to do it; but they will end, as economic history shows all such attempts have ended, in utter failure.

Therefore, regarded as a mere money-making system, trades-unions defeat themselves. First-class mechanics may be benefited by them, but those who rate lower are directly losers. When there is work enough for all, good, bad, and indifferent, and Capital can make his profit, if maximum wages are paid to all, — that is, the best mechanic gets as much as if there were no combination for wages, — then the lower grades get more than their labor is worth, while the best get only what theirs is worth. Evidently now, somebody is wronged by the payment of more than is

due from him, and others by the rating of their labor as worth no more than that of their inferior fellows. Common sense tells us that such a system can not stand. But suppose Capital finds, as it soon does, that it can not make a profit by paying more than the service is worth: what then? Some one must go: will it be the best workmen, or the poorest? Certainly the poorest. But suppose Capital finds further that it can not yet keep all at work profitably: what in that case? Why, the next inferior grade will be discharged, while the best still hold their places, and will hold them so long as any one is employed.

The best mechanics, then, are always in employ when they will work; but the less skillful, possibly sometimes the less favored, get employment only when there is enough for all, which is not always the case. Inferior workmen are especially gratified to have their services put on an equality in price with the best, and hence they combine without result except to annoy and embarrass their fellow-workmen, and perhaps prompt them to strike; for unless Capital is obliged to pay more for their labor than it is worth, they will not be employed at all. Nor can the less useful, under combination, compete at all with the most useful. The end, if successful, would be a one-sided arrangement in the trades-union, the least skilled, without anything like equal worthiness, securing equal advantage with the best. If all were allowed to enter the market and sell their labor for what it is worth

and what they can get for it, the man who is one-quarter less valuable than another could get employment at a corresponding price as soon as the other; while now he must stand back and let the other have the work at all times, waiting until the chance comes when there is more work than the best or second best can do, and then he will get employment.

On general principles, any combination that attempts to force Capital to pay one-quarter to a half more for a man's labor than it is worth, will simply prevent Capital from buying any labor. There is not power enough in Labor by any combination to compel Capital long to make the purchase; and if the struggle ever comes to the last resort, it will be found that Capital will survive, while Labor must yield or die.

But the reader must not forget the immediately practical consideration that Labor ever offers the opportunity for those who get employment to gain an independence, if only they can save. No matter what the workingman's grade of skill, he can commonly get some employment at some price; and in general steady work at moderate wages will finally accumulate the most money. The tables of earnings in this volume will be helpful for any workingman to study, as they show him how even small earnings, properly placed, will in time bring him independence, and may lead him on to fortune. He will also be aided in his

daily labors by the following excellent remarks and precepts, from the "Run and Read Sermons" of Joseph Baxendale:

GOOD MAXIMS AND ADVICE.

An old servant of the concern observed a short time ago that he began life in the employ of Pickford upon low wages, and that by frugality and industry he had gained a competency. His maxim was never to spend more than ninepence out of every shilling. Although this may appear a trifle, recollect that is five shillings in twenty, ten pounds in forty.

Suppose a young man to pursue this system: Let him obtain the first twenty pounds, add each year ten pounds, he will at the end of six years be possessed of upward of one hundred pounds. If in early life the opportunity is suffered to pass, it rarely happens that one can save money when more advanced in years.

The concern in which we are engaged has been defrauded by those who have for thirty years received salaries, the savings from which, had they followed the plan that is recommended, would have placed them in situations of comparative affluence, and we should now have seen them respectable members of society.

Upon industry and frugality our well-doing depends. It is not great talents, but steady application, that is required. There are none of us that may not obtain stations of respectability. "God helps them that help themselves." "He that follows pleasure instead of business will shortly have no business to follow."

I frequently complain of what may be called trifles; but from these arising frequently we are at length lost. Let each attend to his respective duties, keep the appointed hours, and never defer till to-morrow what may be done to-day.

If business is more pressing than usual, give additional time, that your accounts may not fall into confusion, and that you

may not be the means of causing delay and trouble to others. It often happens that the negligence of individuals throws additional labor upon those who are anxious for regularity.

Hiding or screening the faults of others is a system that has prevailed and caused much loss and injury — frequently to the offending party, always to the employer.

Late occurrences lead me to draw your attention to this subject: it is important in every sense, both as regards your public and private stations. There is nothing more worthy of a man than truth, nothing which makes him feel so despicable as a lie. Recollect that men act lies without speaking them, and that all false appearances are lies.

He therefore who, seeing his employer injured, neglects to make it known, is equally guilty, with this addition, that he is practicing a lie. Want of punctuality is a lie.

Speak and act openly on all occasions. Errors will be fewer, and labor will be decreased.

It seldom happens that we can do any important services ; but small services are always in use. Take, therefore, every opportunity of assisting each other: you are then most effectually serving your employers, as well as keeping up a spirit of cordiality and good will among yourselves.

A good Christian must be a good servant. Whatever your lot in life may be, above all things remember that "the fear of the Lord is the beginning of wisdom."





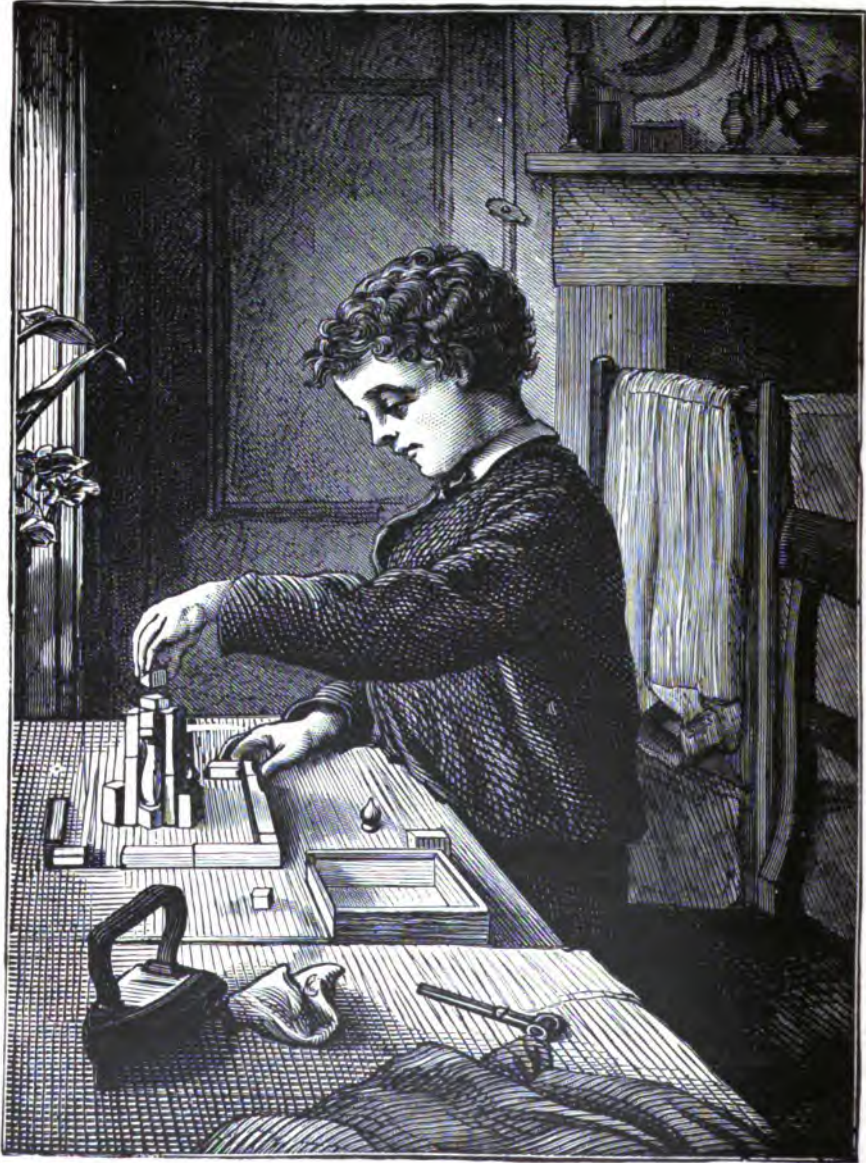
CHAPTER XIII.

THE MECHANIC.

A good mechanic is the most independent man in the world.
BROWN, OXFORD SHOEMAKER.



FORMER chapter was devoted to the consideration of the workingman as employee; this chapter will consider him mainly as employer. Mechanical production, as a means of money-making, takes rank among the surest known, both for principals and subordinates, considering the capital usually invested. Says Mr. Reade, in his book on "Money, and How to Make it": "Few men stick to any kind of business ten years who do not prosper. Talking once with an intelligent blacksmith, he told me this story of his life. Completing his trade at twenty-three, he hired a shop in a village destined to grow, but full to overflowing with workmen of his craft. . . . A month elapsed before a man entered his shop, but at length the villagers began to note the new-comer's apparent industry, and one after another to bring the starving smithy jobs. For five years it was a question of life or death with him, but persistence won, as it always



THE YOUNG MECHANIC.

does, and ten years away from those trial-days, as I stood by his roaring fire, seven grimy workers were scintillating that old shop with flying bits of molten metal, upon whose labor he made a net profit of over three thousand dollars a year."

The product of the mechanic ranks in usefulness and necessity with that of the farmer. As before noted, the two are bound in interest by bonds almost, if not altogether, inseparable. The hammer of the mechanic is in almost as constant use as the farming implement. All are alike producers, the one class directly from land and labor, the other using the products of the land and labor, and in turn putting labor upon them to produce new results. These constituents of society are strong and important arms in the body politic.

The higher grades of mechanism call into vigorous action great scientific requirements and wide practical knowledge. Works for the mechanic's hand are marked out by intellect, often by genius. Thus pyramids have been raised, cities walled and fortified, water highways thrust through desert lands, antipodes brought into communion, iron ships sent out to plow the sea without sail and in the teeth of the gales, and "iron horses" driven over all the civilized lands with their mighty loads of life and property; and finally the telegraph and the telephone devised to facilitate the intercourse of man with man, across land and sea. Genius has devised all these wonderful things within

her teeming brain, and mechanism has but embodied in visible, useful form its vivid imaginings and profound calculations.

As a money-making employment, mechanical products resolve themselves into two branches — completed results, and the manual labor that produces results. Money received for the former goes to the employer, for the latter to the employee. It is not easy, even after careful investigation and taking everything into account, to determine which of the two really accumulates the most money in certain cases. This is no doubt a startling suggestion, since any one would say at once that of course the employer would make the most. But let us see. A little inquiry and figuring will decide, and put the matter in its true light. As a general rule, good mechanics can supply themselves and families with all the absolute necessities of life, and still save a dollar a day. They do not do this, because they or their families spend uselessly their earnings. If they spent all they gain, and the employer did the same, both would make money equally fast — rather make no money at all. But suppose the mechanic to make — that is save — a dollar a day continuously for twenty-five years, and to improve it every half-year at seven per cent: how much would he have? By the tables, twenty-five years' earnings at one dollar per diem give the sum of \$20,501. The question now arises, Does each boss mechanic on an average make this sum? Not by any means. The proposition then

is true, that a mechanic can make and accumulate more than the employers as a class actually do make.

As many opportunities for advancement offer in mechanical as in mercantile business. There are two great opportunities. A young man can rise from the hammer to the superintendence or ownership of a large business of the kind; and if he adds an adequate education to his skill, he can shine in the higher class of the engineers, inventors, architects, and sculptors.

The apprentice is to be considered in the next chapter. Let us suppose that he has been thoroughly grounded in the knowledge of his business, that he has gone through his allotted time, become a successful journeyman, and finally an independent worker on his own account. He assumes to pay certain amounts in expenditure beyond his personal or family expenses. He wants, must have, business. His sign is up, his shop open; no one comes. At last a possible customer enters, from need of something or from curiosity, and makes inquiry about an article in the beginner's line. Now is your golden opportunity; for by good management you can secure one business friend, if not customer, and possibly both, if you never see another. By your conversation and manner strive to impress upon him, —

First, that you understand your business.

Second, that you understand his wants.

Third, that you are honest and fair.

Fourth, that you are obliging and in his interest.

If you succeed in making these impressions, you have begun business nearer to success than half the world besides.

Many mechanics not aware or careless of their interest will make impressions something like these:—

First, it is none of his business what I know.

Second, I know near enough what he wants.

Third, I am honest enough to make a profit when I can.

Fourth, I am as obliging as I choose to be, and know my own interest as well as any one.

These tokens of his thought might gratify the personal pride and independent notions of some persons, but would neither bring money to their pockets nor suit a customer who might be of great pecuniary advantage to them. More than this, such beginner may be in the presence of the very man who he had hoped, in his dreams as an apprentice and a journeyman, might come along at the right time to lend him means upon which to extend his business. Above all things, never assume an antagonism of interest with your customer, but decidedly the reverse; and thus you will come to handle the shining dollars that flow from friendly proximity and intercourse.

To be a gentleman is comparatively easy to him who wills, and is highly profitable in affairs. It is not half so hard to learn and practice as your trade with tools. Better assume the garb and manner of a gen-

tleman for interest's sake than not at all, if you can not possibly feel as you act. The grand desideratum is a sunshiny heart set forth in the expression of your face, in the tones of your voice, the meaning of your words, the interest you take in your customer's welfare. It transfers money from his pocket to yours in a way as pleasant to both as are your manners. You gain doubly by this means—you make a profit, and also rivet a customer to your business. He talks about you, tells others what a clever, honest fellow you are, how well you do your work, and that, above all the rest, you are trustworthy.

So in due time you gather about you a numerous lot of kindly, friendly customers. They finally come to you for things they want done, which are not strictly in your line; and they urge you to hire the men, do the work, and charge them what is right. In one case within our knowledge a tinman was so popular and so highly esteemed that a millionaire applied to him for the construction of a house. Merely because the artisan was honest and faithful, the rich man seemed to suppose that he could make any mechanic whom he employed similarly honest and faithful. Such is the certainty of success attaching to special traits of conduct and character.

No other quality is so much needed as, and no other commands a higher price than, strict honesty. When a mechanic proves honest as well as capable, and

labors for moderate profits, doing his work mainly in the interest of his customer, he is soon crowded with work, and independence and fortune stand waiting for him. It is little difference what your trade may be: money will roll in from all directions to fill your purse. A dishonest or slighted job, a trick, an exorbitant charge, is a dead loss. Better, vastly better, not undertake the work,—a statement which some tradesmen, no doubt, would regard as an extravagance.

But we will give an example to show its soundness and truth. A tailor had practiced deception upon a suit of clothes. His knowledge of his business had not been used for the benefit of his customer, but for his own, as he supposed, by a little trick which would give him an undue profit. To the eye of inexperience the cloth sold for the suit looked just as well as though it had really been a first-class article. But it was shoddy: the tailor knew it, for he had bought it as such, at a very low rate, and the victimized customer had worn his suit but a short time when he too found it out. He could not believe that he had been intentionally swindled; but as he had his own prompt way of looking into such matters, he went to his tailor, exposed the shoddy transaction, and invited him to explain. The man of shears replied, "We are sometimes ourselves deceived in cloth, and this seems to be such a case. But," he added persuasively, taking up another piece, "I have a goods here that

is the best I ever saw. Let me make you a suit from this."

Now this gentleman, although a pleasant, mild-mannered man, was no novice in such matters. His reasoning was quick: "One thing, at least, I know. I have been deceived by this man in the other piece of cloth, about which I knew nothing. Why may I not be caught again on this piece, of which I also know nothing? Then, too, I paid this man good money for what he himself acknowledges to be worthless goods; but he says nothing about a reduction in the price of the other suit, or allowing me any compensation whatever for my loss." All this he rapidly revolved in mind as he looked at the cloth and the tailor, and heard a voluble exposition of its merits. At last, like the man of sense he was, he concluded that since he had got the worst of it in his former operation with the tailor, he would not encounter similar danger again; and so quietly took his departure with the mental reflection, "If this man intentionally deceived me, I want nothing more to do with him; and if he bought the cloth through ignorance, he does not know his business, and in that case I may better try some one else."

The poor tailor, however, expected still to furnish the gentleman his clothing. But his customer did not return. Instead he dropped into another establishment, directed the attention of the proprietor to the worthless suit, and told him its little story. To

his surprise the man said nothing in reply to depreciate the other tailor; and the fact made rather a favorable impression upon him. The tradesman at once began showing his goods, saying as he held up one piece, "This cloth is showy, and looks as good as that you see on the counter; but that is much the better, and will wear twice as long as this." The gentleman was naturally pleased, and said to himself, "This man certainly has the air of open-hearted honesty, and for aught I see has equally good clothing as the other, and at cheaper prices." The result was that this tailor sold him his clothing for the year, amounting to \$450, for he was a generous buyer; and also to his three fashionable sons, who had before given their orders at the other place with their father. One of them bought to the amount of \$550, another \$400, and the third \$375, making a loss in all to the first tailor of \$1,775, and the same gain in business to the second. For twenty years, in this case, the father and sons continued to buy about the same amount every year, when the father died.

Now let us see how this transaction resulted, in the money ultimately lost by the one and made by the other. Tailor No. 2 had a net average profit of thirty per cent on his sales to these parties, or \$532.50 a year for twenty years: and of course tailor No. 1 virtually lost that sum. This was \$1.41 per day; and by the table of earnings for twenty years we find that, improved at seven per cent for that time, it would

amount to \$18,657. Thus tailor No. 1, trying to gain ten or twelve dollars by a dishonest bit of business, had really lost \$18,657. Is, or is not, "honesty the best policy" in trade?

This is but one of ten thousand cases occurring daily through gross ignorance of the results which flow from such petty tricks in trade, as they are commonly called. But from this one instance some principles of special importance to mechanics may be deduced.

First, customers do not usually understand your trade, and do not know on inspection whether the goods you sell are well made or the work you do is well done. You do: therefore be honest. If you are not, sooner or later you will be caught, and will lose money by it whether you are caught or not.

Second, if a man has paid you good money, and you afterwards find out that he has not had value received in goods or work, you never can make as much money by any other means as by paying him back his honest dues. That money will be quadrupled to you the first year.

Third, never speak ill of a fellow-tradesman: you will lose money by it. Let every man's experience be his own schoolmaster: you can't afford to teach for nothing.

Fourth, if you have been deceived yourself, whereby you deceive another, make prompt and full restitution. Don't wait to have it corkscrewed out of you. You will make money by it. Besides, it is

not just or fair to make another pay for your ignorance.

These principles underlie permanent success in mechanical trades. The artisan, as well as the tradesman of other kinds, is under great and frequent temptation to give his customer less than honest value. Very few persons understand the true value of mechanical work, or know how much a mechanic ought to do in a given time; and hence they overcharge, slight their jobs, or lose time, and so work injury to their patron. But though this is true, nevertheless the customer, by an insight derived from experience, will learn that he is unfairly dealt with, though he may not know exactly how or why. It is a quite common idea among mechanics that they must not do a job too well, for fear it will spoil the trade; hence they will do the work well enough to answer a temporary purpose, with the hope of another job by and by to repair it, and so on.

An instance of the kind occurs while this chapter is being written. A low chimney of a neighboring house probably required a smoke-stack, for one morning two mechanics appeared upon the roof with their tools, one of them bearing a pipe for the stack, about two feet long. The men laid down their burdens, sat down upon the coping, leisurely filled and lighted their pipes, and took a quiet, prolonged smoke. They seemed, however, to be engaged at times in conversation, as they were looking at the situation, and

pointing here and there. Finally knocking the ashes from their pipes, they got up, stretched and yawned, and then walked towards the chimney. There they stood for a considerable time with their hands in their pockets, and after thus spending the remainder of an hour, if not more, they at last took up their tools and went to work. It need not be said that the rest of the forenoon was exhausted in putting up the ten feet of pipe. The next day they came back with another, putting it in a different flue in the same chimney; and the process was substantially the same as that of the day before. The two pipes staid up two days, when the same men came again, took them down, and carried them away. The next day they returned with them, but lengthened to about five feet, and put about the same length of time upon them as previously. The pipes now staid up three or four days; but meanwhile the men came and utilized the third flue for a galvanized iron pipe, going up about twelve feet from the top of the chimney. This involved a change of the others; so in a day or two the men once more made their appearance, took down the five-foot pipes, carried them off, lengthened them to agree with the new one, then came back and put them up. Since then, four days ago, they have remained away from the roof; but may yet any day put in another appearance.

Now, somebody certainly lost by this operation, or rather series of operations; and quite certainly it was

not the employer of these men, in immediate loss at least. The house-owner may pay the exorbitant bill, and the mechanic think he has done one more job to advantage. But the chances are, after all, that he will lose money by it; for if he had not been ignorant of his business, he would have known that on account of the height of the adjoining walls, twelve-foot smokestacks were necessary; and he would have instructed his men accordingly, have made the pipes, and had them put up in half a day. If he were dishonest, and wished to "run the job," as appearances indicate, he must, sooner or later, lose by it, for he has, at the very least, taught his hands a bad trick.

This course of business generally brings about the same results as in the case of the tailor, whatever the varieties of the method by which it is practiced. To the extortioner the loss is the same, whether the extortion be by way of exorbitant charges or in the slight value of the work done. A case a little more in point than the other may be examined here, in which the results were directly manifest.

An application was made by a wealthy gentleman to his plumber to have some trifling repairs made to a weeping joint of pipe in his house. The mechanic at once sent a man to do the work, who, arrived at the house, proceeded to inspect the defect. It was in plain sight, but was a little inconvenient on account of some woodwork; but nevertheless it could have been mended without removing anything. In order,

however, to have plenty of room, he tore away the woodwork completely, and was then ready to proceed. It now took but a few moments to do the work, although half a day in all was spent in gossiping with the servants and in general puttering about. But the work was finally done, and it turned out that the leak resulted from a slight defect in the work done by the same employer and journeyman when the house was built. The plumber made out his bill and collected it, with the incidental remark from the owner that "work should be well done at first, and then all such expenses and annoyances would be avoided." Then the owner ordered his carpenter to replace the woodwork which the plumber's man had torn up. This mechanic happened similarly to have been responsible for the original work after the plumber, and on going to the place found the new work split to pieces, and entirely unfit for further use. It had been nailed, not screwed down at first, as he had ordered, and as he supposed it had been done. He reported the case to the owner, and he of course directed that new and sound work should be put in. It was duly finished and the bill presented, which was paid; but the owner remonstrated with the plumber because his man had destroyed the woodwork "unnecessarily," the carpenter said, "as the work could have been done without it." The plumber, piqued at the carpenter's remark, told his accuser that, "if the work had been screwed down, as it should have been, instead of

being nailed down, as it was, there would have been no difficulty."

These transactions and talks revealed to the owner some interesting facts, as follow :

First. That the plumber had done his work poorly at first.

Second. That from this cause, he (the owner) had lost, and no restitution was made.

Third. That the carpenter had done his work badly at first.

Fourth. That from this he had lost, without restitution.

Like a man of sense he revolved the whole matter in mind, not from its importance in the case in hand, but for its bearing on the future, since he was a large property owner, and built extensively. He came in due time to positive conclusions, which he kept to himself. Almost any one can overlook an error, much more an unavoidable accident, in another ; but few will rest satisfied when they are compelled to pay smartly for it.

The plumber, too, remembered that his journeyman, receiving the highest wages and considered one of the best he had in his shop, had been twice before complained of for similar neglects, and had given him much trouble at those times. Work became slack soon afterwards, business dull, and the plumber was compelled to discharge some of his force. So it happened, to the surprise of the journeyman and all his

fellow-workmen, when the next pay-day came around, he was discharged.

Then the carpenter, finding that the plumber had exposed to the owner the defective way in which his work had been done, called his journeyman in turn to account for his neglect. The man excused it on the ground that he had not the proper screws at the time, and supposed it would make no difference if nails were used in that one place, as all such work elsewhere in the house had been properly done with screws. But a few days afterwards the carpenter saw a journeyman from one of the neighboring carpenter-shops enter the house of his former customer, who had been a profitable one, with a tool-box on his shoulder. He knew what that meant; the conclusions of the owner were now evident. Incensed at the loss of so good a customer through the slighted work of his man, who in a moment might have obtained all the screws he needed from a shop not a hundred feet distant, he discharged him when the next pay-day came.

The times were now hard, work little in demand; and neither of the journeymen could get anything to do. Each had laid up a small sum, but it went fast when all was expense without income. They were willing to labor for less wages than they had been getting; but no employer wanted them, for all, in that region at least, knew where they had worked and why they had been discharged. The plumber went into the country, and remained there some time, but finally

fell from a tree while gathering nuts and broke his wrist, by which he was almost totally disabled for life. The other man took sick, after being out of business for many weeks, was bed-ridden for a year, and then died.

The property owner, out of whose improvements all this trouble had sprung through an imperfect plumber's joint, built more largely to improve some vacant property. He purchased all the materials, and had the carpenter-work done by the day, at an estimated cost of \$53,000. The plumbing, calculated to cost \$11,000, was similarly done. The mason who had carried the gentleman's contracts for a long time was a very worthy, honest man; but he won his employer's confidence thoroughly by a little circumstance that happened about this time. He had done the work of a "brown-stone front" but a short time before. The foundation of the front stoop had been carelessly laid, or from some other cause it had settled, and one of the steps had consequently cracked. Although it did not detract much from the value of the house, it was nevertheless an eyesore, and gave evidence of poor work somewhere. Happening to pass the house one day, his quick eye caught the defect. He stopped and looked at it for a moment, and then went on; but the fault kept troubling him, and he finally said to himself, "This is not right. I got my money for good work; and the work is certainly not good. The breaking of that step results from the

neglects of my man who set the stoop; and I don't want that to remain as my sign-board, even though I may not be legally bound to replace it." So the owner was presently very much surprised by an application on the part of the mason to be permitted to replace the stone; which was done in good shape. Now, when the owner decided upon the large work before spoken of, with a mason's bill alone estimated at \$84,000, no questions were asked, but the plans were simply handed to this man with directions to have the work done by the day, buy the materials as cheaply as he could, and keep the owner advised of every large bill.

The mason was naturally much surprised to hear that his old friends, the carpenter and the plumber, were not to be on the work, and made inquiry as to the reason. "Were they insolvent? Have they done wrong in some way?" But no one knew why they were not employed by this large property owner, save the owner himself, who kept his own counsel; but the fact was the more surprising, since all knew him to be a very upright, fair, honest man, who had become rather noted for employing one set of mechanics.

The new buildings were finally completed, but not within the original estimates. The amounts of the bills exceeded the first calculation, mainly because more work had proved necessary. The plumber's bill came to \$12,722, the carpenter's to \$59,432, and the mason's to \$91,200. It was found, however, that the

plumber had cleared but \$1,300, or a little more than ten per cent, the carpenter \$4,350, and the mason \$8,120. Five years thereafter the same owner built a new block of houses and stores, for which the bills were still larger — plumber's \$13,100, carpenter's \$75,000, and mason's \$104,210. All were done by the same hands as in the previous job.

Now let us see what the first plumber had lost by his careless hand and by his failure to remedy defective work until he was driven to it; then what the carpenter lost, and thus what the other plumber and carpenter gained by the losses of their unlucky fellows. The first large loss to the plumber was \$1,300, with the job-work of the owner from year to year, which was worth a profit of \$100 a year during the five years to the next big job. In five years, with interest, \$1,300 will amount to \$1,820, and \$100 added and improved for each of five years will come to \$588. Add the profits on the \$13,100 plumbing job, which were \$1,400; and we find the total sum lost by the first plumber and gained by the second to be \$3,808, without reckoning any interest upon the sum last received.

If, then, the former plumber had been thirty years old when the imperfect joint was made on the first large work done, he could have had \$20,677 when he reached sixty. His actual loss, then, at the age of sixty, was \$20,677, simply because his journeyman made a bad joint thirty years before.

In like manner the carpenter lost the amount of a full bill of profit, \$4,350, and the owner's jobbing for five years averaging \$350 a year, and \$7,422 profit on the second large job, together amounting to \$15,550, to say nothing of any other business transactions or profits after the five years had expired. If the carpenter were thirty years old when the first job was lost, at the age of forty-five he would be \$31,100 behind what he might have had; at fifty-five, \$62,200; and at sixty-five \$124,400, just for the want of a faithful workman and six cents' worth of screws, and for a failure to make good without charge the damage resulting from the lack of these.

Such are the incidents that grow out of mechanical business. The trades selected are fair examples of all others in which losses of similar kind may occur. And they are not mechanical trades alone which are affected by such apparent trifles. A candidate for President of the United States may fail of election by just one vote, and that lost by neglect to speak pleasantly to an acquaintance in the street. Small matters sometimes determine great events; and the wisest can not foresee what may result from a seeming trifle. A nut carelessly or improperly fastened in the boiler of a magnificent steamship, may be the two-penny fault that will result in reducing to fragments the giant bulk, and hurling into eternity her precious freight of human life. Upon the mere hammer of the mechanic

may depend the life or death of many persons. There is practically no end to the number of untoward events that may and do occur by reason of the faults of mechanics. As has been seen, they can virtually wrench from the pockets of their employers money at will. But is it less than robbery? or are they not likewise robbers? Is there any real difference between the man who does it slyly in this way, and he who does it covertly on the highway or as a housebreaker at the dead of night? Is there any difference in principle whether a man is robbed by the collusion of mechanics, by overcharges or bad work, or by robbers, or through counterfeit money? The fraud is in principle the same in all these cases; and the chief reason why they are not so regarded generally by the community is that the one class is quite commonplace, and the other comparatively rare. The mechanic whose demand is an outrage and a wrong, may wrench from his customer the amount of his rascally bill, and the payer may have to "stand and deliver," as the less of two ills. But in all such cases there are two who lose, the one, however, much more than the other. In the case of the man victimized by the tailor, who lost the most in the long-run? Truly, the losses can scarcely be brought into comparison, so wide apart are they. And they fall, too, as they usually do, upon the one who can afford it least. In the case of the plumber's employee, who caused the loss of a small bill to the rich man, who lost the most, the plumber him-

self, or the house-owner? and who was the best able to afford it, the man who paid for the half-day's work and materials, or he who received the money? Take also the case of the journeyman carpenter: who lost the most, he who failed to put in the screws where he should, or the owner who had to pay for the blunder, or the carpenter himself, who received pay for repairing his own wrong?

Let us inquire. The journeyman plumber had been out of business just three months when he fell from the tree and broke his wrist, which in all probability would not have happened if he had remained at work. He had been receiving \$2 a day; and so, up to the time of the accident, he had lost \$156 and his board, \$32.50. Add to this his doctor's bill, \$26; two months' time in which he could do nothing after his wrist was broken, at seventy-five cents per day, \$39; and his board in the meantime, \$22.50;—and his account stands thus:

Three months' lost time, 78 days, at \$2	\$156 00
Thirteen weeks' board, at \$2.50.....	82 50
Doctor's bill.....	26 00
Two months' lost time, 52 days, at 75 cts.....	39 00
Nine weeks' board, at \$2.50.....	22 50
Total.....	<hr/> \$376 00

He was just twenty years of age when, partly disabled by his hurt, he began to receive wages at seventy-five cents a day. He lost, then, \$1.25 a day on his old wages; and, whatever wages might be

generally at any time, he would continue to lose about this much per diem, as a difference. Let us look at all the losses of this transaction with reference to the future, at fifty years of age. The journeyman's loss may be set down at \$1.25 per diem until he was fifty, or for thirty years, and also the \$276 before found, compounded at seven per cent, as we do the rest; and we find his absolute loss at fifty years of age to amount to \$2,104.36. If it be allowed also, as seems fair, to include his loss of \$1.25 a day on account of the injury to his wrist, his total loss in that time would be nearly twenty times as much, or \$40,548.78. The boss plumber lost \$1,300 on the first job, and \$100 on his repairs for each of five years, making for that period an entire loss of \$2,408. He then lost \$1,400 by not getting the second job, which increases the amount to \$3,808; and this, improved at seven per cent for twenty-five years, shows a loss of \$20,677.

The boss carpenter lost in profits on the first job, by not getting it, and on the repairs for five years, similarly computed as before, \$8,128. Adding the loss by not getting the second job, \$7,422, and we have \$15,550, which, in twenty-five years, at seven per cent compound interest, gives a total of \$84,436.

Now, what did the rich man lose by the same operation, which caused these several heavy losses, presuming he got his work done just as well, and no better, by those he employed? He paid the plumber

\$4.50 for the little job, which, improved like the others, amounts to \$32.24. He paid the boss carpenter \$30 for his work, which, similarly treated, comes to \$228.30. Thus it is shown that the journeyman's loss, by making the bad joint, was actually \$64 to the owner's \$1; and taking the results of the accident also into account, his loss was \$1,229 to \$1. The boss plumber lost \$646, and the boss carpenter \$370, to the owner's \$1 on their several jobs.

Who, then, loses the most money by bad work, the employed or the employer? But it must be remembered, also, that these are not all the jobs which the carpenter and the plumber lost from this one customer, if he continued to build as he did; and if the entire profit which the two men could have made were accurately estimated, it would reach a large fortune on the basis of saving and improving at interest.

By way of logical consequences, the following may be assumed as sure guarantees of success:

First. Know well your trade, and do it well.

Second. Be civil, polite, and obliging to all.

Third. Be just, honest, and trustworthy.

Fourth. Never buy till you know the value.

Fifth. Stick close to your trade, and improve yourself in it.

Sixth. Get the money for what you do, and pay promptly.

If these rules are implicitly followed, your success in money-making is a fixed fact.

There is no mechanical business that is not injured by just such cases as those cited. It would be useless to adduce any new ones. Their effects are very far-reaching, and it is the fact of their distance, and not their uncertainty, which causes them to be the less readily felt. Morals aside, the interest of the mechanic, as measured merely by dollars and cents, is directly at stake. When a boss mechanic, furthermore, discharges his journeyman, it is apt to be considered a stigma upon the latter, as a general thing; and a shrewd man, hearing of the incident, concludes there is something wrong somewhere. A man's discredit spreads like falling quicksilver upon a marble slab.

To the journeyman who performs the labor, a word may not be unprofitable. Your neglects cause great pecuniary loss to your employer and yourself, as we have seen. No better evidence of ignorance of your own interest can be found than the boast often indulged in, of independence of your employer. He is the journeyman's best friend, after all, because through him the employee gets his money, upon the same principle that the land is the farmer's best friend. To slight work is to lose money, since you may thus lose your employment. Look at the business as your own, simply managed by the employer as a means of bringing you in money. You are then directly interested in its good credit, thereby insuring your share in its results; you are, in fact, a partner in it, drawing profits, but taking no risks, investing no money,

paying no losses or expenses of any kind. Your pay comes regularly, in general, whether the business is successful or not. In a sense, you are the principal — the business your subordinate. If the subordinate is not worth cherishing, saving, or caring for on account of the principal, it is amply worth all this as the bank which pays you a daily dividend. Why abuse it, indeed? Why go away from it, and do that which will waste its credit and squander its money? Why, by your carelessness or neglect, drive custom from its doors, when your bread, meat, and savings all depend upon its support?

In this kind of business, as in most others, there is no trouble in making money : the chief trouble lies in keeping money when made. It differs in some respects; for work is sometimes done for those who do not pay, and hence money may not be made. At this point a new principle enters—the judging of credits as a means of making money. If the mechanic reads our chapter on Banking and Insurance, he must perceive that the estimate of credits, strictly speaking, is a banking business, whether it be done by one or another, and requires skill and experience, as does any other trade. But how many mechanics do just this thing, and risk their all upon that to which they never gave a moment of time, possibly never turned a thought before, the very point that may lose them the money value of their long-worked-for trade. Bear in mind, on the contrary, that to judge accurately of the

value of credit is the most intricate and difficult branch of business, and requires great knowledge, practice, and experience. A mechanic giving credit goes to that extent into the banking business ; and he himself knows, very likely by sad experience, whether he is a capable banker or not. Let him ask of his own mind whether he is competent to take charge of a bank, and he may appreciate his own position in trying to do a bank's work for himself.

Suppose the mechanic needed a journeyman: would he hire the president of a bank, who had never raised a hammer? If you wanted to know the value of leather, would you resort to the iron-monger for information? If the value of iron, would you ask it of the leather-dealer or the shoemaker? If, then, your customer desires credit, go to his bank and there find out if they will take his note, and what estimate they place upon it, or whether you can sell it anywhere without your own name. If you can get enough for the note in this way to pay you, go on and do the work; if not, you may better leave it alone, and in the meantime make a certain dollar somewhere else. Whenever you give credit, take as much time to consider the value of the security as it would take you to earn that much money, and you will be pretty safe. A note may be good that will be rejected by a bank, because they might not know all about it; but the principle nevertheless holds that a mechanic will do better not to touch credits that would be rejected by a

bank, unless he can convert them into cash, or realize upon them in some other way.

All these varied propositions are not of prime consequence in gaining an independence or a fortune; and there is still something more to do, to be explained under another head.

An inordinate desire for gain is frequently the cause of loss, because people take risks in the valuation of credits, in the faith that in some way they will get their pay; and the following paradox results, that will be useful to the money-maker: He who makes money the slowest, makes it the fastest. He who makes it the fastest, makes it the slowest. And another, which is quite as certain: He who walks early, will ride late. He who rides early, will walk late.





CHAPTER XIV.

THE MANUFACTURER.

He changes the forms of things till we no longer recognize them as the same, but are astonished at their newly acquired beauty and usefulness.

R. S. WILSON.

It is the glory of manufacturers that they have placed within the reach of the common people fabrics and implements and commodities that a century ago were regarded luxuries by the rich; and it is an ennobling and inspiring thought that he who sends good calicoes, woollens, or hardwares into the market, who improves either the texture or the pattern of the goods which are consumed by the poor, who beautifies some common household implement or sends into the market a new material which will cheapen or improve the staple consumption of the world, is performing a work as essentially noble and beneficent as any vocation of man.

ANONYMOUS.



THE business of the manufacturer has assumed a very important place among other branches of the world's work; and large sums of money are made in it, by both employer and employed. It gives great scope for genius in the invention of labor-saving machinery, and to skill in its mechanical construction. It is also a prominent means of making money work to advantage in its use as capital, and may be generally regarded, in all its phases of labor and production, as a good money-

maker. There is much encouragement to this in the following remarks from Mr. Freedley's Practical Treatise on Business :

"A man who intends to make money, not merely to try his chances, must look first to the safety of his business. It is a well-ascertained fact that those occupations which are the most useful are the safest, and that those commodities which can least be dispensed with pay, in the aggregate, the largest profits. The demand for them is stimulated by actual want, and grows with every increase of the means of production. It is a comparatively rare occurrence for those who deal in superfluities to get rich, as they are subject to continual losses from changes in the fashions and a hundred circumstances beyond their control ; and Say has truly remarked, 'The most fashionable tradesmen are oftenest in the list of bankrupts.' Next to the supply of indispensable wants, those kinds of business are safest which are concerned in the production, manufacture, or sale of articles of general convenience and on which a large percentage of profit can be made, though the cost to the consumer is inconsiderable."

The causes of failure in this business are very much the same as in other departments of credit or of the interchange of products. The trouble does not commonly lie in the ability to produce, or to find or open a market for one's products. But an operator needs often to exercise his very best judgment as to these.

"One of the most distinguished cotton manufacturers now living took his first and most important lesson in manufacturing by buying, at the age of twenty-five, a small cotton-mill, investing every dollar which he had earned and all that he could borrow, and then proceeding to make a new article of clothing for woman's wear which he was confident that every mother in America, if not in the world, would immediately order. Three months after getting his goods into market, he had sold six out of several hundred cases sent to commission merchants far and near. His money was exhausted, his credit well-nigh gone, and with nothing for two years of constant and most perplexing work but a little well-earned knowledge, he put his machinery onto another style, something for which there was now a demand, and without the fact of how near he had been to the verge of bankruptcy coming to the knowledge of his creditors, started at once one of the most successful business careers that has ever been known in this or any other country.

. . . . The elements of success in the business of manufacturing are, mainly, capital, prudence, counting the cost, making the most of time, pushing production to its utmost, working three hundred and ten days in the year, making a good article, and the same article every time." *

Failure or great losses from the causes indicated are, however, rare. But the manufacturer often sinks

* Reade, "Money, and How to Make it."

capital in his original outlay for buildings and machinery, for want of exact knowledge as to what he actually requires. If he understands precisely what he needs in order to accomplish his proposed ends, his business, as a general rule, is successful, and the results in money gained are correspondent.

The general results to an owner are more satisfactory and complete than in most other lines — more successful, as a rule, than the mechanic or the wholesale merchant, where these depend upon their own judgment of credits in making their sales. The reason is apparent. Manufacturing is usually carried on at a remote or inconvenient place for making sales, and the manufacturer, unless he maintains an office in the business quarter, must employ a commission house to make his sales. This charges him a commission, but gives him a guarantee for credits allowed. The manufacturer has thus two names on the notes given him, the debtor's and the commission merchant's, instead of one, as is customary with the wholesale merchant and the mechanic. Fewer losses result to him, as the commission merchant, who charges a small percentage for his guarantee, is more cautious in his credits for so moderate a profit than the others, who may make their fifteen to twenty per cent.

But when the manufacturer himself undertakes his sales, and assumes to judge of the safety of his credits, he stands only about the same chances of success as others do who pursue a like course. Unless

he is personally and constantly in the market, and can observe closely the standing of his customers, and is in every sense a stirring, shrewd business man, he has little opportunity to gain, and an almost certain chance of loss. It not unfrequently occurs, however, that the business is such as to require the maintenance of a separate establishment for the sale of the commodities manufactured. In such case it becomes a combined manufacturing and mercantile house; and if conducted with care, skill, and energy, it is almost uniformly successful.

To make the most from manufacturing requires a peculiar combination of qualities in management and a wide range of special requirements, namely: A high degree of mechanical skill, to secure and adapt the best machinery; an exact knowledge of wants to be supplied; concentrated, vigorous, and well-sustained action in both manufacturing and selling; with genuine mercantile skill, either as retail or wholesale dealer, as the nature of the business may require. It therefore seems in itself to combine something of all other lines of business, and demands also that they should work together harmoniously and perfectly.

It is apparent, then, that this is a business which requires the utmost care and attention in order to success — that is, to make the largest success possible in it. There are not many men who take the trouble, when they are about to establish a manufactory, to investigate the matter thoroughly, know just what

they may fix as their maximum of production, and order their machinery accordingly ; but they start gradually, if not spasmodically, putting up something this year, and pulling it down the next, as not large enough ; putting up the new thing, only to pull it down in turn the next year, for something still larger ; and so go on from year to year, till at last they get the maximum buildings and machinery they should have had at first, if they judged the market rightly, to do the maximum work. How many instances of this kind readers of wide observation can call to mind, wherever large buildings have to be abandoned and new ones built, because the proper foundation for increasing demands was not made at the beginning. Fortunes are sometimes expended in a very few years by just such want of forecast. Few men strike high enough ; and it is in knowing just where and when to strike that the most money is made. As a general rule, men begin too modestly, and as business increases they tear down and build over ; and thus it goes on increasing and increasing until it becomes too unwieldy to handle with ease or possibly too large for profitable management, and some unforeseen event breaks the whole down with embarrassment or utter failure. Begin with the view to a fair business as a maximum ; start everything to correspond with it ; and when your maximum is attained rest content, and reap the benefits in a thrifty and steady business, always under control. As soon as you can get money enough ahead,

pay all your bills in cash, and promptly and safely invest the surplus. Comfort and ease will then attend you, and prosperity and early independence or fortune be the reward.

Business should be considered, first as a means of support, then as a way to independence or fortune. You may as well be a slave in some other way as to be a slave to your business. Nor is the large operation in business the sure road to fortune: it may be the most insecure. The best route, with comfort, is to make slowly but surely, and always to be your own master. You have but to look at our tables of earnings to see how moderate an income requires to be to compass easily your desire. A large manufacturer might laugh, as the large wholesale merchant might, at the idea that fifty dollars a day, saved and improved, is any amount to boast of, and that it is more than one in ten makes in the long-run. But even this moderate amount—moderate in view of the extent of the business—in twenty years, improved at six per cent, would be \$590,015; at seven per cent, \$661,606. How many heavy manufacturers have such an outcome as this? In truth, how many make clear their \$5,000 per annum? This income, yearly improved in like manner for twenty years, reaches \$188,450, or \$211,318, all growing out of an original profit of \$15.97 per day. What manufacturer of any skill can not make this, and have one of the above sums clear at the end of two decades? They are not very

large figures for the general run of manufacturers, who easily suppose themselves worth that, or more, any day in the year; but how many actually come out at the end of twenty business years with as much clear cash as that, besides their plant, with stock and manufactured product on hand? Very few; but why not more? Most manufacturers pretending to do any business worth while would sneer at the suggestion of but \$16 profit per day, from their equipment of buildings, machinery, and men. So they might, and often they do make more; but what becomes of it?—that is the question. It is lost in bad debts; lost in extensions of credit, inside and outside operations, by endorsing, by lending and never getting again, by extravagant living, perchance by gambling, and in a hundred and one other ways.

Let almost any manufacturing house or company in the land, that has operated for ten to twenty years, but run back over its books, and examine the profit and loss account; and the investigator will be satisfied. Then let him make an equally close examination on the line of causes, and see if these losses and extra expenditures might not have been avoided. He will soon be taught a lesson which, if he improve upon it as he should, will make him a rich man, if he is not one already, in ten rather than twenty years. Unless he has been a prodigy in his business, he will find that his mistaken judgment of credits alone has cost him a fortune; that under this one head, instead of

selling on short paper with a good endorser, for less profit, he has unwisely parted with his substance for single-name paper, of which every one in trade comes to know the value (rather the worthlessness) sooner or later. Such financiering to make money is too much like the juvenile game of lighting a splinter of wood and passing it rapidly from hand to hand, saying :

“ Robin is alive, and live like to be ;
If he die in my hand you may saddle-bag me.”

In other words, most business men will take risks of credit because they see others doing the same; and it does require, truly, a well-trained determination and decision of character not to be influenced by such action. More money has been lost, or failed to be made, by accepting bad credits than from any other cause. A business man, indeed, may be certain of liability to error in this matter, if he does not put upon it the whole power of his own personal judgment. As before remarked, he is never safe in making a credit until he has considered how much labor has been spent to accumulate the amount he proposes to risk; and if profit supply the temptation, he may be morally sure that he about to make a mistake. It may be a good plan to pile up the amount pending upon a table in plain sight, in bank-bills or coin, and having first obtained all the information available upon the value of the credit, then make a decision. In seven or eight cases out of ten he will make up his mind to take the risk; otherwise, he is pretty sure to take



THE FARMER'S

as many as twelve out of fifteen, and very likely more.

Nothing else is so profitable in the final outcome as a snug, well-managed cash or close-credit business. If the goods are always good, they are always salable, for either cash or safe indorsed paper, or other paper involving little or no risk. The manufacturer has less labor than others to perform for the same amount in gains. He is comfortable and happy in his business, and should be in his home. He buys and sells to better advantage; is strong wherever and whenever he is felt; and when sales are dull in the market he can accumulate his stock and products without cramping or weakening himself. It is always better to have your goods inquired for, and at rare intervals not be found, than to be always found when inquired for. You will make more money by occasionally adopting this policy.

Money is to be made also by scrutinizing every item of expenditure, and considering whether it can be avoided or lessened. Often things are replaced by new ones when the old will do, though perhaps not quite so well; and it needs to be the subject of close observation and calculation to determine when the moment that the change becomes imperative shall arrive. When the new are necessary for profit, what is done for show is generally a dead loss. The same amount taken from the profit on your goods will insure sales for cash or first-rate credits.

It may be said that industry, energy, and close attention will make money in this department of business rapidly. There is no difficulty in managing this part of it, and all the ability and judgment in the concern will do the best and make the most money for it, not here, but rather in close attention to what is had in return for the goods, when made and sold. If there is any one principle well established in trade, it is this, that most failures are attributable to losses by those to whom valuables or goods are sold — not by store expenses or depreciation of goods, nor in the purchase of them or in having too much on hand. There may be isolated cases in which failure results from one or the other of these causes; but they are so rare that they are not worthy notice, whereas the first is the grand pitfall into which traders plunge themselves.

All the grand principles of banking, of mechanical business, and of wholesale and retail merchandising, found in chapters of this book relating to these topics, are more or less applicable to this business. In that on banking particularly may be read a valuable lesson for any manufacturer. If he go to a bank to get money on his note, he can answer whether he will get it without an indorser. If he can, he is singularly fortunate, and may be considered in good credit. Are the goods you sell less valuable than their money? If they are as valuable, sell them for as good paper as your own, if the bank is willing to take it without indorse-

ment; but if it will not, then sell them for as good paper as you give the bank, and rely upon it, you are nearer getting rich suddenly than ever you were before.

There are a few, of course, in every department of trade, who do conduct their business upon such principles, and who are successful; but those who do not wonder why they are not equally thrifty. They work hard, and think they are industrious and enterprising. They are so in reality; but while they bring dollars into their coffers rapidly, the dollars disappear about as rapidly. They keep an eye to the top, but lose sight of the bottom, where the real leak exists.

This business affords employment to a large share of our population, of both sexes, giving them early an opportunity to gain an independence, or even a fortune, if their industry is continued and their earnings are saved. If they secure constant employment and good wages, small savings, well improved, will by and by yield a large sum, as we have before seen. All principles heretofore laid down as the best means of increasing the value of their labor should be carefully observed, if they would accomplish the end desired. And if general results are looked to, the principals have no greater opportunity of making money than the operatives.

An example will show this. A manufacturer goes into business with a cash capital of \$25,000, but the operative with none. Before the employer realizes

any profit, he must make his entire expenses and the interest on his capital before he is on an equal footing with his employee. This involves many and heavy expenditures, and he often must lay out more than his capital and open a large interest account. All these, if made out of the business, must come from the profits. The interest on the capital, and the capital itself, come in only by way of comparison. The interest on \$25,000, at seven per cent, is \$1,750 yearly. The manufacturer has then to make \$73,968 in twenty years, simply to get seven per cent compound interest on his capital. If the operative should lay by \$2 per day for the same time, he would have, by the table of earnings, \$26,464. In order to save the same amount in the same time, the manufacturer must make \$100,432, beyond the interest on his capital. Thus, we think, the "case is made," as the lawyers say.

When it is considered that a manufacturer may sink all his capital and gain nothing besides, and that if he does his money is generally in property, and not in cash, as it is in the workman's case, there seems to be a large balance of probable success in favor of the operative, as against principals with small manufacturing capital. The modest gains of the operative are steady and sure, with no risks except of employment, which mainly depends upon himself; while the principal may easily lose all.



CHAPTER XV.

THE FARMER.

Agriculture is the most healthful, the most useful, and the most noble employment of man.

WASHINGTON.

There seem to be but three ways for a nation to acquire wealth. The first is by war, as the Romans did, in plundering their neighbors: this is robbery. The second by commerce, which is frequently cheating. The third by agriculture, the only honest way, wherein a man receives a real increase of the seed thrown into the ground, in a kind of continued miracle wrought by the hand of God in his favor, as a reward for his innocent life and his virtuous industry.

FRANKLIN.



WITH good health and a fair measure of bodily strength, no employment gives a surer result in comfortable living than that of the farmer or gardener.

Like the capitalist with money at interest, growth and increase march steadily on for him through day and night. The grain, the grass, the herds, and the fruits respond to the toil of the husbandman, and furnish a rich reward for his industry. On the large or small scale on which these are carried forward depend results, whether smaller or greater. Whatever the scale may be, under ordinary circumstances a profitable harvest is always gathered.

"The young man who leaves the farm-field for the merchant's desk or the lawyer's or doctor's office, thinking to dignify or ennoble his toil, makes a sad mistake. He passes, by that step, from independence to vassalage. He barter a natural for an artificial pursuit, and he must be the slave of the caprice of customers and the chicane of trade, either to support himself or to acquire fortune. The more artificial a man's pursuit, the more debasing is it morally and physically. To test it, contrast the merchant's clerk with the plowboy. The former may have the most exterior polish, but the latter, under his rough outside, possesses the truer stamina. He is the freer, franker, happier, and nobler man. Would that young men might judge of the dignity of labor by its usefulness and manliness, rather than by the superficial glosses it wears. Therefore, we never see a man's nobility in his kid gloves and toilet adornments, but in that sinewy arm, whose outlines, browned by the sun, betoken a hardy, honest toiler, under whose farmer's or mechanic's vest a kingliest heart may beat." *

Farming is carried on principally in but one style, varying little in its chief features. Grazing or stock farms, as they are called, are commonly larger than crop farms, and in the Far West the "ranches" are often of immense size. In the South, large farms or "plantations" are devoted to the growth of cotton,

* "Worth and Wealth," by Freeman Hunt.

sugar, rice, and other characteristic Southern products. All, however, are in effect farms, and the different terms used for them merely indicate the kind of farming pursued upon them.

We will write first of the most numerous and important kind — the ordinary farming. The money to be made from this is usually more definite in amount, the profit depending mainly upon the economy with which it is conducted. Every one knows that there is no such thing as the accumulation of a princely fortune from this kind of farming. But with proper management and just economy, an independence can be made in this as well as in any other branch of business. All the national wealth, indeed, proceeds directly or indirectly from this branch.

The independence of the farmer consists in having his place paid for and in being out of debt; for under these conditions a living can always be had by a prudent man, and a good one too. How is this to be done? you ask. The quickest and best way is to make the most money off the land in the least possible time. Suppose your farm is to cost \$2,000, all told: how much have you to earn each working day to pay for it? If you make one payment every half-year, you will do the equivalent of improving your earnings at seven per cent, since most farms are bought and sold on credit, with interest. Look at the tables of earnings, and you will see that if you make \$5 per day for one year, you will have \$1,592.39, at seven per cent. If

you make \$1 a day for five years, you will have \$1,835.96; if 50 cents a day for ten years, \$2,212.89; 25 cents a day for fifteen years, \$2,018; and so on. What does this show? Among other things, that the small saving of twenty-five cents a day for 313 working days will make \$78.25 per annum to be saved for payments on your farm, besides the interest on the first payment to be made. It thus becomes a serious and careful question for any one intending to buy a farm, if he has not yet the money, to decide upon the most feasible way of getting it.

Let us look at this matter more closely. If you conclude to make the effort at purchase in five years, you will have to clear yearly by your farm \$453 — that is, 45 cents a day for interest, and \$1 a day, or \$313 per year, in savings, being in all \$1.45 per diem for the first year. The interest would be \$21.91 less the second year; and so on to the end. Now, if you work without the farm, at any other business, you will have still to make \$313 a year, and improve the earnings each half-year at seven per cent. So it is seen that your farm costs you, by your laboring upon it instead of some other business to pay for it, forty-five cents per day. It must be remembered too that there are to be added expenses for implements, etc.; but these remain, are valuable as accumulated capital, and as such may be regarded as so much additional earnings and savings. The increased value of the land and improvements, also, in many parts of the country, is

often a source of profit greater than the products of the soil.

It is clear from the above statement that if you intend to have a farm, you may better buy one and work on it, instead of operating some other business to raise money to pay outright for a farm. For it is plain to see that your farm is cheap enough, under your own supervision, at forty-five cents a day. But if you have the money to pay for the farm, and do pay for it, you should see that it not only pays you the interest on the capital, but as much in addition as you would have paid down yearly, if you had paid in that way, besides getting your living off it. If this is not done, depend upon it there is "a screw loose" somewhere, and you are losing instead of making money. In other words, you must have at the end of the year \$453 in valuable property more than you had at the beginning, or you are not doing as well as you would be in laboring otherwise to pay for it.

The natural question the farmer asks is, How is this to be ascertained? For generally a farmer keeps no accounts, and knows little more about them except what his debts are. But he can not well know whether or not he is making money, if he does not keep an accurate account of everything. Let him, like the merchant, take an inventory on the first of January each year, of what he owns and what he owes. The way his business is generally done, the chief wonder is that he makes anything at all. So far as we can

judge from the outside, there is hardly any other business so loosely carried on as the farmer's, from the fact that he is almost always ignorant of the close, exact way in which business accounts are kept, and so runs on from year to year not really certain whether he has made anything or not.

A good form for inventories is given on the next page. From this, as filled for the purpose of example, it is seen that the farmer made in the year 1881 the sum of \$835.97 — that is, he made by his farm, over his interest on capital, and services in any other business, the sum of \$282.97. In 1883 he made \$759.95 — \$144.95 more than the interest on capital, \$140, and \$475 for services of himself and son; or, in other words, he cleared by his farm \$144.95. The next year he made \$482.50, and so fell short \$152.52 of making the value of his own services and his son's, and the interest on his capital. His farm did not even pay for itself by \$7.50, and no profit was made from it. But such years are liable to occur on any farm, or in any other business, no matter what it may be.

Let us suppose, however, that he makes from his farm alone a clear average of \$200 per annum, and his interest, \$140, and the value of his services, \$813. If he does all this, he is doing a splendid business; for his income is then a total of \$653 a year. Next look at the table of earnings, and you will see that at this rate he is earning \$2.09 each working day. This sum, improved regularly at seven per cent, will yield

We give a formula of account by which a farmer can tell whether he is making or losing money.

INVENTORY FOR 1881.	INVENTORY FOR 1882.	INVENTORY FOR 1883.	INVENTORY FOR 1884.
Interest on Capital \$2000...\$120 00 My services..... 318 00 Owed to me..... 75 13 2 Horses..... 150 00 3 Cows..... 175 00 4 Calves..... 40 00 10 Sheep..... 30 00 25 Hens..... 15 00 3 Hogs..... 60 00 10 Pigs..... 20 00 2 Turkeys..... 8 00 100 Bushels Apples..... 50 00 3 Barrels Cider..... 60 00 200 Bushels Wheat..... 300 00 100 Bushels Oats..... 50 00 400 Bushels Barley..... 400 00 4 Ploughs..... 32 00 1 Horse Rake..... 10 00 1 Dray..... 15 00 2 Wagons..... 150 00 2 Sets Harness..... 75 00 1 Mowing Machine..... 120 00 5 Hoes..... 2 00 I owe..... \$2,240 13 240 05 \$2,100 08	Interest on Capital \$2000...\$140 00 My services..... 318 00 Owed to me..... 101 25 3 Horses..... 220 00 5 Cows..... 250 00 15 Sheep..... 50 00 50 Hens..... 35 00 5 Hogs..... 250 00 15 Pigs..... 30 00 10 Turkeys..... 10 00 200 Bushels Apples..... 100 00 5 Barrels Cider..... 100 00 350 Bushels Wheat..... 700 00 200 Bushels Oats..... 100 00 500 Bushels Barley..... 500 00 5 Ploughs..... 40 00 2 Horse Rakes..... 25 00 1 Dray..... 15 00 2 Wagons..... 140 00 2 Sets Harness..... 60 00 1 Mowing Machine..... 100 00 6 Hoes..... 2 50 Cash on hand..... 25 00 I owe..... \$3,311 25 375 20 \$3,036 05	Interest on Capital \$2000...\$140 00 My services and Son's..... 475 00 Owed to me..... 100 00 4 Horses..... 300 00 6 Cows..... 295 00 20 Sheep..... 75 00 50 Hens..... 35 00 6 Hogs..... 275 00 12 Pigs..... 25 00 15 Turkeys..... 15 00 150 Bushels Apples..... 90 00 6 Barrels Cider..... 120 00 400 Bushels Wheat..... 800 00 250 Bushels Oats..... 125 00 600 Bushels Barley..... 600 00 4 Ploughs..... 32 00 2 Horse Rakes..... 20 00 1 Dray..... 12 00 2 Wagons..... 120 00 2 Sets Harness..... 50 00 1 Mowing Machine..... 90 00 6 Hoes..... 1 00 Cash on hand..... 200 00 I owe..... \$3,996 00 300 00 \$3,696 00	Interest on Capital \$2000...\$120 00 My services and Son's..... 500 00 Owed to me..... 10 00 4 Horses..... 315 00 6 Cows..... 280 00 20 Sheep..... 80 00 50 Hens..... 35 00 6 Hogs..... 280 00 10 Pigs..... 20 00 20 Turkeys..... 20 00 125 Bushels Apples..... 62 50 5 Barrels Cider..... 100 00 450 Bushels Wheat..... 900 00 300 Bushels Oats..... 150 00 500 Bushels Barley..... 500 00 4 Ploughs..... 30 00 2 Horse Rakes..... 15 00 1 Dray..... 10 00 2 Wagons..... 100 00 2 Sets Harness..... 40 00 1 Mowing Machine..... 80 00 6 Hoes..... 1 50 Cash on hand..... 600 00 I owe..... \$4,278 50 100 00 \$4,178 50

in five years \$3,837.17; in ten years, \$9,250.86; in fifteen, \$16,887; in twenty, 27,655; twenty-five, \$42,847; thirty, \$64,277; forty, \$137,148; fifty, \$282,126. Can a farmer make money?

"Well," says the farmer, "this is all very fine; but how can this be done?" We propose now to tell you; and if you have average crops and follow directions, you will do not only this, but more. We shall tell you, too, under another head, how to invest your money when made, so that the results figured above shall be attained. But first of all you ought to have a wife, and then both of you to exercise what is known as "good common sense," and realize what you are about. If you are not yet up to this standard, you may better get your living the best way you can in some other pursuit, and rest satisfied with what you can make in that. But if you have strength of mind and body enough to know that you are naturally a farmer, and that you must dress, behave, and spend like a farmer, you have made a good start. That you will not dress, behave, and spend like a nabob till you have the money to do it with, is one more step in the right direction. If you say to yourself, "I am already a prince of the realm, and hold in my hands the elements of a nation's wealth: so let others imitate me if they wish, not I them," you have said true words, and hold a just appreciation of your position.

The farmer out of debt, and owning his land, is the

independent sovereign. No one can say to him, Go here, or, Go there. He eats the first cut, the people in general are served with the second; he walks upon his broad acres, and no man can dispute him; he sleeps the sweet sleep of contentment upon his own downy pillow, and greets the rising sun with a cheer. His business being to produce everything in the way of clothing or tools, they need not be bought of others, if it be possible to make them within his own family. See that your inventory is made every year, putting in everything, even the most trifling that you could sell for money. Strike off each year, in allowance for wear and other depreciation, as much as will bring any article down to its cash value, if sold. The inventory should comprise only the articles actually on hand the first of January, as in the examples given. You can then know just where you stand, and whether you are making or losing year by year.

Now for the methods of success. In the first place, what crops do you raise? Have you ever kept a record of the superiority in your tillage of one kind of grain over another? Or whether one of your fields has done better than another? Or whether one of them is better adapted to any particular crop than another? If you have not, you are doing precisely what a merchant would who has started a store, or possibly two stores, and has never calculated whether they are making money or not. You would doubtless say that this is very simple in him; but it is a trait of

human nature to observe defects in others which we are unable to see in ourselves. Every field, every bit of woodland, every horse, ox, cow, pig, turkey, hen, and fruit-tree, should be responsible to you for an increase, since they must all be fed and cared for; and if they can not make a showing of clear gain to you, of what use are they? You are simply losing money by their feed and care.

The first principle of success, then, is to look at every field, animal, and tree upon your farm, and see to it that they earn their living by increase. Crowd upon every individual thing all your energies, to make them work to best advantage for you, and never take a business step that does not point that way. The great thing in raising or growing is to select such grains, fruits, or animals as will produce greatest value with least expenditure of labor. To follow this principle with intelligent care requires extensive information; how can a farmer, without reading and inquiry, know that he is cultivating that which will bring him the most money? The grower must remember that, if he wishes to thrive, his aim must be not to raise crops or stock to suit his own fancy, but the fancy and taste of others; and hence, whatever may be his judgment as to their intrinsic value, their only value to him, in a money-making point of view, is what others will give for them.

Farming is generally prosecuted by rotation of crops from year to year, without inquiry whether the land

is better adapted to other crops, or whether the stock or fruits are such as are most in demand and will produce the most money. The farmer may consume his substance by attempting to raise an inferior, unmarketable stock, from want of knowledge of the requirements of the market. He may think that the cattle he and his sire before him raised are just as valuable as any other. In one sense they may be, for a pound of beef or a quart of milk from the one may be as good as a corresponding pound or quart from the other. But he will find by sad experience that the tastes and fancies of customers change, as well as the ability of two widely different cows to give equal quantities or qualities of milk, or to produce the same weight of beef, on the same food.

It costs as much, in general, to keep a good horse as a poor one, and as much to care for unsalable and unproductive stock as for salable and productive. Let us look at this. Suppose an old-fashioned farmer had thirty head of stock, worth on an average \$40 per head, or a total value of \$1,200. Another, who has given attention to the demand for superior stock, had the same number, but worth \$90 a head, or in all \$2,700. We will suppose, too, — though that would be unequal in fact, as against the higher-priced, — that in product of milk and butter, and in their increase, the total gain upon each lot was twenty-five per cent a year. It is plain that the profit upon the first lot would be \$300, and on the second \$675. Besides this,

they would each have to sell a part of the stock every year—say one-eighth. The one would thus part with \$150 worth, the other with \$337.50. Making the necessary additions, the former would receive \$450 for and from his cattle, and the latter \$1,012.50, making a difference of \$562.50. In other words, he who had the better stock would realize from it \$562.50 a year more than the other; and the difference in three years would more than cover the original difference in value of the two herds.

Now, this amount (\$562.50) represents \$1.79 per day for 313 working days, which, improved at seven per cent for five years, gives, by the tables, \$3,286; for ten years, \$7,923; for fifteen, \$14,461; twenty, \$23,685; twenty-five, \$36,696; thirty, \$55,051; forty, \$117,472; fifty, \$141,637. Is it not worth while, then, to have some care as to the kind of stock you raise? The first cost is small, comparatively. If you can not afford to get the better stock, sell what you have and get half or quarter as many animals, so that at least you will not be compelled to keep the poorer.

The grower should not only have the stock which will command the most money, but should also consider the means of so breeding and improving it that it may become the best. He may attend carefully to the purchase of good stock, but will need still more care to make it and keep it the best. The finest males and females should be used for breeding, instead of selling them, as is too apt to be done. Keep the best, and sell

the poorest. In this way the most money will eventually be made. If the grower fail in this, in a few years he will find that, instead of having good stock on hand for sale all the while, he must fall back on a very poor grade of stock, or at best will have but the poorest of its kind.

These figures exhibit the differences in cattle only ; but similar statements, and more, can be made of hogs, poultry, and fruit-trees. An important source of loss is that in agricultural implements, caused by exposure to weather when they should be under cover, away from the rain and the sunshine. From this one source the farmer may in a score of years lose the value of his farm. Implements and machines made chiefly of wood, as wagons, drays, plows, rakes, mowers and reapers, hand-rakes, forks, etc., will not last half as long when exposed as if under cover ; and the farmer, if he have any number of them which he neglects in this manner, will lose much more than he thinks.

The farmer should ever keep in mind the old and true proverb, "A stitch in time saves nine." Some trifling thing, if out of place or out of order, will produce serious results. If any of your implements require repairs, do not wait until you want them, but have the repairs made at once and the article put in its place ready for use.

An illustration given by Mr. Say, the political economist, shows the importance of care and thoughtfulness in the little matters. He says : "Being in

the country, I had an example of one of those small losses which a family is exposed to through negligence. From the want of a latch of small value, the wicket of a barnyard, looking to the field, was left open. Every one who went through drew to the door ; but having no means of fastening it, it re-opened. One day a fine pig got out and ran into the woods, and immediately all the world was after it. The gardener, the cook, and the dairy-maid all ran to recover the swine. The gardener got sight of him first, and jumping over a ditch to stop him, he sprained his ankle, and was confined a fortnight to the house. The cook, on her return, found all the linen she had left to dry by the fire, burned ; and the dairy-maid, having run off before she tied the cows, one of them broke the leg of a colt in the stable. The gardener's time was worth twenty crowns, valuing his pains at nothing. The linen burned and the colt spoiled were worth as much more. Here is a loss of forty crowns, and much pain and trouble, vexation and inconvenience, for the want of a latch which would have cost threepence ; and the loss, through careless neglect, falls on a family little able to support it."

Expenses are the moths that eat up earnings. They are like rats and mice, or other vermin, in your granary. They consume your hard earnings almost invisibly : all you know is that they are gone. Scrutinize well every expenditure, and weigh carefully its



HARVEST TIME.

necessity. Thought costs nothing; yet to think, and think to advantage, saves you many a dollar, and brings many more to your pocket.

This subject is by no means exhausted; but enough has been said to illustrate the subject within the limits of our space. The farmer can also read to advantage what is said in this book under the head of the Retail Merchant, as his business partakes considerably of that character. To the larger class of farmers and growers, the same general principles apply. In any relative comparison, of course, the figures will be correspondingly great — so much so that the results will be astonishing. A careful study of the use of the table of earnings will show how to make the proper substitution in any supposable case. Enough has been set forth, however, to show how important it is to the farmer to calculate and understand, as intelligently and thoroughly as the merchant, the market value of the products he is raising, and what will bring most money with least expense. And the reader will see, too, that this branch of industry presents as many inducements to the money-maker as any, besides opening to him an independent and honorable, and, if he chooses to make it such, a happy career.

MAXIMS FOR FARMERS.

Pick up; hang up.

Care is a good granary.

Carelessness is a rat-hole.

Good master, good horse.
Quick market, empty fields.
Keep everything in its place.
Go away slow, come back quick.
Knowledge is a good land-dresser.
Daybreak dews are farmers' diamonds.
Your land is your best friend : treat it well.
Sow when you should : reap when you can.
Your extremities are your heart : let it be active.
Waste nothing. Waste is the mother of want.
Men may deceive each other, but they can not
deceive Mother Earth.
Much care, much money. Want of care brings
more loss than want of knowledge.





CHAPTER XVI.

THE CLERK.

The chief qualification of a good buyer is a judgment of goods; of a salesman, a judgment of men.

FREEDLEY.

Clerks should be faithful to their employers, and employers should concern themselves in the welfare of their clerks. Faithfulness does not consist in doing things which we are obliged to do, but in the performance of acts which we are not obliged to do, and for which we receive no direct remuneration. . . . Fix the amount of the clerk's salary at sufficient to insure contentment in the situation, and require qualifications of zeal and efficiency that will be worth it.

IBID.



CLERKS form an important class in aid of the various departments of business. Some treat clerkship, and labor in it, as a profession for life, aspiring to nothing beyond getting the pecuniary value of their services, and satisfied with what that may yield. This must in general be regarded as an unfortunate conclusion. "A clerk who remains in one position all his life, advertises himself lacking in one of two things—ability or ambition. There undoubtedly are instances where a clerk is kept so constantly and continually employed at one task that he has no opportunity to learn anything

but his present work ; but such instances are very rare. As a general rule, every clerk has some time at his disposal, either at intervals during the day or in the evening. These are hours that he can not afford to throw away. Not that it follows that he must deprive himself of every pleasure, or must desert every form of entertainment. All work and no play makes Jack a dull boy ; and dullness does not lead to success. But let him have his entertainment as recreation, and not seek it as business ; and then he will still have many valuable hours for self-improvement." *

But others, with more energetic aspirations, regard clerkship merely as a species of servitude out of which they expect to emerge in due time, to become principals, in hopes of a larger field and much greater remuneration. Such ambition is laudable, and it is to be hoped that many worthy clerks will realize it. It is certain that clerkships can be so managed financially as to result in an independence to every one and a fortune to some ; while the management of mercantile business on one's own account will, in nineteen cases out of twenty, if not a larger ratio, result in neither. The statistics of failure given in a previous chapter sufficiently prove this ; though all the statistics in the world are not likely to prevent the ambitious young man from making the usual efforts to amass fortune more rapidly. This being human nature, we must

* Maher, "On the Road to Riches."

take it as it is and show if we can what are the means of making the most money as clerks, and how they may accomplish their ambition by the safest path ; then point out the hidden rocks in their channel of life, as disclosed by mariners who have already attempted the voyage and been wrecked, freighted with similar ambitions and hopes, which long since sank in poverty and distress.

But let any clerk who is in receipt of a good salary take his latitude and longitude in life, and refer his own case to the co-ordinates of comfort and happiness enjoyed by his or other principals, or even by men of fortune. If the reference be made honestly, soberly, and with common sense and judgment, he will learn that his individuality is complete, and that his chance of making an independence is greater than that of the average business men, operating on their own account, if it is not greater than theirs. He will not only anticipate that, but in the meantime, if he exercises the true philosophy, he will take as much comfort in life as those who have the chance of making largely, with a greater chance of losing everything ; and he is quite certain to have far less care and anxiety than they.

Clerking, therefore, rightly regarded, is not only respectable, but, considered in all the relations of life, is entirely honorable and profitable. The serious question then arises, How can most money be made out of the business ? An answer can readily be given,

and it only remains for the inquirer to make practical application of the knowledge imparted, whether it is or is not new to him.

Your business, then, consisting in assistance rendered to others in forwarding their plans and operations for a definite compensation, there are two resultant inquiries: "What amount of aid am I to give for the compensation received?" and, "Will my pay be really a compensation — an adequate return for the service I render?" In like manner, every business man who pays market value for the commodities he buys, finds that he is obliged to pay the value of these services according to the same rule. If he does not, some one else will; and hence the rule, inevitable and imperative: Services, like any other commodity, command their true value in the market. So that the clerk has but one principle to act upon, as regards money-making strictly — to get the highest pecuniary return from his situation. This constitutes the entire range of his business life, in the light of material gain, if he decides to remain a clerk.

Many clerks do not know in what such value consists; and if they do, they neglect to apply the information for their own benefit, and possibly do not know the method of procedure in accomplishment of the object, if they know the facts involved. One thing may be assumed at the outset as true, that there is so large and so constant a demand for the best services that they always find a ready purchaser; the

first-class clerk never lacks for employers. A good example in point was related in our first chapter. As will be remembered in that case, one clerk was apparently doing no more than the other, while both were receiving the same salary. Yet the value of service by the one became nearly twice as great as that of the other; and one spent all his income, while the other spent only one-third of his. It will be seen from this that spending money does not by any means ensure increased income, but on the contrary full expenditure almost certainly decreases it proportionately with those who are saving. This, then, is a good lesson of the means to make savings valuable.

And this brings us to another important feature of the matter. Habits of living have generally a close bearing upon the appreciation in which a clerk is held by his employer, the confidence he feels in him, and the security of entrusting important matters in his care. As Mr. Sizer wisely says, in his book of "What to Do and Why":

"The spruce young clerk, who thinks chiefly of his moustache and boots and shiny hat, of getting along nicely and easily during the day, and talking about the theatre, the opera, or a fast horse, ridiculing the faithful young fellow who came to learn the business and make a man of himself, because he will not join in wasting his time in dissipation, will see the day, if his useless life is not earlier blasted by vicious indulgences, when he will be glad to accept a situation from his

fellow-clerk whom he now ridicules and affects to despise, when he shall stand in the firm, dispensing benefits and acquiring fortune."

The more loose habits a clerk has, the less he will be trusted ; and his services will therefore be held the less valuable. The fewer he has, the more he can be trusted, as a general rule, and the more value will attach to his services. It may not seem of much consequence to a young clerk to be seen indulging in drink, frequenting the saloon and billiard-room, and perhaps worse places. But the point is not made upon the single drink, the cigar, the game of billiards, or even one entire spree. These alone might not hurt him a great deal, although they will affect his good fame if his indulgence be observed. They are comparative trifles ; but the main things are the character within and the reputation without to which the doing of such things inevitably tends, making him liable, if he is of average human nature, to do worse. No wise man of business would knowingly intrust such a clerk with his interests, although there are some who do these things that are as honest as the sun, and could be trusted with uncounted sums. But no one will deny that loose courses of life are intimately associated with loose business morals, and no one can say when or where the bad effects may suddenly develop.

Our chapter on Business Morality may be profitably read again just here. It is not intended now to repeat it, or any part of it ; but only to open the eyes of

those who may be tempted to complain of Fortune, when they themselves have blocked her chariot wheels by what they supposed were comparatively innocent though expensive amusements. They may never have given thought to the fact that these have retarded their advancement, particularly the obtaining of higher salaries, but instead have probably blamed their employers for being mean, close-fisted, and even unjust, in giving to others what they think belonged to them.

There is positive loss in all these things, and it is not at all confined to the clerk. If the question be brought home to the clerk himself, on the principle of "put yourself in his place," he will see the truth and force of the position. You are, say, the president of a bank, or a large private banker, or a large wholesale or retail merchant: if you wanted a cashier with a salary of \$5,000 per annum, would you intentionally select one with the habits indicated? No. Though he were "quick as lightning," smart as the smartest, and accurate as the multiplication table, it is easy to tell what you would do as a man of sense, though such were your own habits.

A word here upon the general matter of hiring clerks or other subordinates. "Men in engaging employees should be careful to get the best. Understand, you can not have too good tools to work with; and there is no tool you should be so particular about as living tools. If you get a good one, it is better to

keep him than to keep changing. He learns something every day, and you are benefited by the experience he acquires. He is worth more to you this year than last, and he is the last man to part with, provided his habits are good and he continues faithful. If, as he gets more valuable, he demands an exorbitant increase of salary on the supposition that you can't do without him, let him go. Whenever I have such an employee, I always discharge him; first, to convince him that his place may be supplied; and second, because he is good for nothing if he thinks he is invaluable and can not be spared. But I would keep him if possible, in order to profit from his experience." *

An instance now to the former point. A young man now in business was previously a clerk, and had decided to undertake business on his own account. He had never tasted a glass of liquor or smoked a cigar, or indulged in the ordinary habits of free-living young men. He had tried independent business but a little while when a friend of his came with a son whom he wished to place in trade, to propose a partnership. The upshot was that, from his confidence in this young man, as derived from his high character and reputation, he gave his son \$350,000 as cash capital in the partnership; and the firm is now doing a splendid business on the safest principles. Whether this young man is naturally any the better business man,

* Barnum, "The Art of Money-Getting."

or more capable than others who are hampered by habits, is not the question here. The only issue is whether such a character is likely to inspire more confidence than the other, and whether it would command more money, out of which to make money, than the other, all things being equal. If these propositions can be answered in the affirmative, and it will not be denied that they can, then high moral character, free from bad habits of any kind, has a distinct money value to the possessor. He will find that money is made by such means, directly and actually.

Another question bears strongly on the ability of a clerk either to become a partner in the house to which he is attached, or to be selected as the managing man in a new one, where his skill and ability will be received in the stead of capital; or which will affect his credit if he sets up on his own account. If he has been in the habit of spending all his salary while a clerk, is he likely to change from spending all his profits when he gets into business for himself? Reasoning *a priori*, he would not. Will his reputation secure him what he wants? Probably not. But if, on the other hand, he has shown himself competent to handle his smaller mercantile affairs to advantage as a clerk, — to a profit, that is, — and has saved his gains, is it not sound reasoning to infer that he would safely handle a larger business also?

In other words, would you select one to make profit who had never made it? Would you trust as much to

a man to help you make profits in a partnership, who had never made a dollar of clear profit in his life, as you would to him who had really made substantial gains in business, though his business was small? The answer is self-evident; and hence you may deduce that the clerk who has saved from his earnings is worth more for your purposes, and will bring a higher price in the market, than he who has not. For if a clerk can not obtain and care for his own, he is clearly not so well calculated to care for another's as he who can and does.

The course of economy and saving indicated is a double way of making money. First, you make it out of your own little business as clerk, and then you increase the value of your services by showing your capability to do just that which is the object of all business, namely, to make profit by business. How can the clerk then expect advancement, either in becoming a principal or in having his pay increased, unless these things are studied and receive full attention? Can we not see in this why so many merchants fail in business?

Bad habits and failure to save are mainly attributable to those you call your friends and associates. If you will examine yourself, you will find that you are naturally averse to almost everything that you do in this way; or, if you are not now, that there was a time when you were. Who has given you a taste for them? or, if not a taste, who has prompted you to in-

dulgence in them? The answer is simple — your associates. Then is it not worth while to consider whether such associates, although they may be agreeable, pleasant fellows, are not too expensive for you? In other words, can you afford so much money for the mere pleasure of this society — or rather the difference between such society and that which might be equally agreeable, but not so expensive?

The great trouble in all these matters comes from the constraints which the conventionalities of life throw around the rising generation. They must do as everybody else does, or they will be the objects of scorn. Pointing at them will do no harm — not even to their own feelings, if they look at it rightly. Will it reduce the salary of the clerk, or tend to increase it? Will it prevent his advancement, or accelerate it? It will not rob him of a cent, but will put dollars in his pocket. What motive has he to please those who thus are sapping the very foundations of his advancement to fortune? Will they pay your bills or give you a dollar? Can they? Certainly not; they are powerless to benefit you, and hang a dead weight upon your progress.

Who, then, are your friends, and who your real enemies? Those who do not point at you the finger of scorn, but approve of your simple habits and saving ways, can and will aid you to advancement, and with money to make money; while those who do point will do neither for you, and be well satisfied if they can

hold you up to ridicule. Will you, then, please your friends or your enemies? This is the great question; and in its answer lie success and happiness, or failure, want, poverty, and distress.

There is a strange infatuation about doing as others do; but the philosophy of it is seldom considered. Money is generally spent more to please others than to please ourselves. Those, then, who have the independence to make themselves the standard, instead of bowing to the standard of another, have achieved a great point in money-making, in being respectable, comfortable, happy, and prosperous. Assuming, then, that our clerk has independence enough to choose his associates, to live so as to gratify his own best interests rather than the worst of others, to make money instead of squandering where nothing substantial is required, to promote his own advancement instead of catering to those who are stumbling-blocks in his path, he has either of two ways to choose for himself — whether he will make clerkship his final aim in life, or whether he will use that position as a stepping-stone for entering business on his own account.

By reference to the tables of earnings, and an intelligent consideration of the chances of success in mercantile life, from the statistics which have already been given, the clerk can determine his future destiny — at least which way he will choose. If you determine upon the first course, you have only to make your ser-

vices of the highest possible value. This is done in two ways:

First, by a thorough knowledge of your business.

Second, by establishing a character for honesty and trustworthiness.

One of the first things which a clerk needs to understand, is the true relation between himself and his principal. "No mistake can be greater than for a clerk to fancy he is paying his employer for the knowledge of the business. It is n't true. We hire a clerk and engage to pay him what he will be worth to us—neither more nor less. He earns his pay, if we are not disappointed in him, the first year, and does more—he learns so much of the business that he is going to be more valuable the second year, and consequently receives more pay; and the second year's experience increases his salary the third year. Nowhere is he paying, but always being paid. After he has learned the details of the business, it then rests with himself as to whether he shall simply be worth so many dollars and cents every year, or dollars and cents and something more; and it is this something more that every ambitious young man is striving for." *

Certain qualities are indispensable to the efficient clerk. "An expert salesman has a thorough knowledge of human nature, courteous manners, and a ready tact in adapting himself to the various humors of the buyers. He has perfect command of his business, and

* Maher, "On the Road to Riches."

having purchased with care, he has no hesitation in fairly recommending his goods or warranting them, when requested to do so. His great object or aim is to acquire the confidence of the public. To this end everything must tend and bend. Thoughtfulness is a trump card in his hands for this purpose, and he avoids all doubtful or suspicious assertions of favor or sacrifice, even if true, unless he has the documents at hand to prove their truth. He rarely mentions the cost of his goods, knowing well that his customers do not expect him to sell without a profit, or fearing they would disbelieve him, which would destroy confidence. He has a quick appreciation of the wants of his customers, and does not comment with equal praise on all kinds or styles of goods to all persons, but catches at the fancy of the buyer, and presses delicately upon that; or if it is an injudicious choice, he points out its defect and produces a suitable article, and thus inspires confidence. He does not meet his lady customers with an impertinent familiarity, nor does he worry any one who is not disposed to buy at the time with over-ardent solicitations; but he tries to leave upon their minds such an agreeable and favorable impression that they will be sure to call again." * The same principles that are here recommended to a proprietor personally selling his goods, are equally applicable to a clerk.

There is a great deal in this matter of impressions —

* Freedley, "Practical Treatise on Business."

in an effective sort of personal magnetism. A salesman once remarked :

"How queer it is that sometimes when a customer enters a store I feel as though it would be impossible to sell him a fip's worth, but at another time I feel as though I could make a customer buy just what I feel inclined to sell. There is a real magnetism about it, I am sure."

"Yes," we replied, "and your battery is not always in order."

"What!" he answered, "do you mean the difference is all in me?"

"Most certainly; for you confess that it is all a matter of feeling," we replied, "and the great means of always keeping up this magnetic power is to be absorbed in what we are doing by avoiding temptations to day-dreaming and hazy speculations."

There is something in this little anecdote upon which the salesman will do well to reflect. As another says, "Whatever is to be done well must be done earnestly; the man must be fully magnetized for the labor before him, fully charged with earnestness."

Mr. Reade remarks: "There are three qualities that may be named as essentials in a good clerk — honesty, ability, and politeness. The first of these is absolutely indispensable; and consequently, before employing any person in that capacity, it is a point on which you should fully satisfy yourself. It is not easy to say by what means this is best accomplished, except as is cus-

tomary, by a direct personal reference to previous employers, if the applicant has had any. If a youth who has not before been at business, it is usual to refer to his pastor, or some other person of judgment acquainted with the parents and his own early training. In either case, it is possible for the very shrewdest to be deceived; and the most positive conclusions as to a person's honesty may prove delusions. . . .

"In addition to the requirements here suggested, your clerk should be, and aim to be, what is called a generally well-informed man. If during an absolute idle hour he prefers whittling a stick instead of reading a book or newspaper that lies within reach, he should get permission to quit, for commercial life in cities is not his forte.

"The politeness necessary in clerks is little more than what any respectable, well-disposed youth in our public schools should have acquired. They should be of pleasing address, patient in disposition, and possessing a serenity of temper not easily ruffled. An impertinent or ill-tempered clerk would drive away more custom than ten good men can bring together. We know that all men are not gifted with a very equable temper, even those possessed of superior character and abilities; but to a clerk or business man this quality is indispensable." *

You can generally procure just what your services are worth by being affable, agreeable, polite, sociable,

* "The Art of Money-Making," ch. xvii.

and attractive to all with whom you come in contact. Under all the circumstances of comfort, taking a substantial view of life, and the chances of that terrible condition of want after plenty of which so many merchants and other business men have sad experience after years of toil, it is doubtful whether a clerkship does not give more hope in the long-run than undertaking business as a principal.

Let us examine the matter a little. Suppose we assume the case of one who receives the following rates until he is sixty years of age, and see what is the result, as compared with the generality of mercantile success. Consider the average of his salary to be as follows: From 15 to 20 years of age, \$500; from 20 to 25, \$1,200; 25 to 30, \$1,800; 30 to 40, \$2,500; 40 to 50, \$3,500; 50 to 60, \$5,000. Suppose he spends one-half his salary each year. By the tables he will have from the remainder, at sixty years of age, \$251,318, compounding his savings regularly at seven per cent. How few large merchants have saved as much as this at that age! How many have less! And how many have nothing!

But if he is determined to try his luck in business on his own account, he can have no surer guarantee of success than by first gaining his own capital in a clerkship. This is achieved by making his services valuable, and then saving till he has sufficient to make a start. A small capital, well managed, will make you more money than a large one on which you have

to pay interest. To decide the question of advantage, a series of close calculations is to be entered into, of the expenses of your establishment, store-rent, clerk-hire, probable losses, and current expenses; and good judgment is required to see what will make the most according to the best lights you can get. Then to aid in accomplishing your object dress neatly, but so as not to be remarked either way, for showiness or plainness. Be modest, unassuming, never boastful of what you are doing or what you intend to do, or of your position or profits. Mind your own affairs, and let alone those of others. Make friends of all by your pleasant smiles and agreeable words. They cost nothing, and make much money for him who bestows them.





CHAPTER XVII.

THE RETAIL MERCHANT.

Lord Stafford mines for coal and salt;
The Duke of Norfolk deals in malt,
The Douglas in red herrings;
And noble name and cultured land,
Palace and park, and vassal band,
Are powerless to the notes of hand
Of Rothschild or the Barings.

ANON.

Say what you will, this is the day of the merchant. As in the early ages war was the great concern of society and the very pivot of power, so is trade now; and as the feudal chiefs were the "notables" placed at the very top of their time, so are the merchants now. All things attest the change. War, which was once the universal business, is now confined to the few; once a daily terror, it is now the accident of an age. Not for adventures of the sword, but for trade, do men descend upon the sea in ships and traverse broad continents on iron pathways. Not for protection against violence, but for trade, do men come together in cities and rear the marvelous superstructures of social order. If they go abroad or if they stay at home, it is trade that controls them, without distinction of persons. And here in our country every man is a trader.

CHARLES SUMNER.



O department of trade has a moral certainty of success, except the retail business, when properly and judiciously carried on. The wholesale merchant is compelled to credit more or less, while the retailer can always sell for cash, if he will. It is true that he may have unsalable and unseasonable goods left over, on which he may expo-

rience some percentage of loss; but this amounts to little by comparison with the loss of a bill or promissory note of ordinary amount, in the hands of the wholesaler. While the latter must look out as well for purchases as for sales, the former has but one pressing care, and that is to buy to advantage. It is an old but true saying that "goods well bought are half sold." While the one, in order to success, has to stand sentinel over his credit, the other simply sentinels his purchases. The care and caution with which this is done, in the one case and the other, will determine their respective loss or gain.

Still, it must be granted that the percentage of failure in all lines of mercantile business is remarkably large. Some statistics to this effect were published in an earlier chapter. "In no other calling is the proportion of failures to successes so great as in that of trade, the mercantile profession. Persons who have been at pains to collect statistics on this subject in our large towns have found that only three out of a hundred merchants are successful, all the others becoming bankrupt or retiring in disgust. . . . To all these statements may be added the opinions of some of the shrewdest and most experienced business men of New York and Philadelphia, that not more than one per cent of the best class of merchants succeed without failing in the former city, and that no more than two per cent of the merchants of the latter retire on an independence, after having submitted to the usual ordeal

of failure. After the crash in 1858 it was stated by high authority that there had been annually, for some years previous, 27,000 failures in the United States, for the gross sum of \$50,000,000, of which enormous indebtedness only \$10,000,000 were ever recovered by the creditors — an estimate probably below the truth.”*

He who enters this business, therefore, must take his chances courageously, intelligently, knowing that the odds are against him, but that success is within his grasp, if he bring to bear the right qualities and direct his energies to the best purpose. The following summary of necessary qualifications of the merchant was made by the anonymous author of an excellent little manual, “How to Do Business,” published many years ago :

1. He should be sufficiently courageous, hopeful, and self-reliant to give him the spirit of enterprise — to prevent anything like a timid and hesitating policy ; but at the same time, —

2. He should be sufficiently cautious to move with prudent forethought, and to avoid injudicious risks and unwise speculations.

3. He must have sound judgment, to enable him to buy with proper regard to quality, quantity, and the wants of the market.

4. He must be in every sense of the word a gentleman ; and especially he must be truly polite. “The merchant of the present and of the next age must be

* Mathews, “Getting on in the World,” pp. 37, 305.

a polite man. The boors have had their day. Henceforth they will succeed only where gold dollars can be picked up, as the Israelites picked up the manna. Competition, in less fortunate places, will drive them to their proper vocation of tending swine."

5. His integrity must be above suspicion. His word must be as good as his bond, and honor, as well as honesty, sanction all his dealings.

To these may be added, as an important qualification, the possession of much special knowledge bearing on his business. In his noble book on "Self-Help," Mr. Smiles remarks: "There is perhaps no single profession which calls into exercise a greater variety and volume of general knowledge than that of the merchant. The relations — geographical, commercial, and political — of distant nations, as well as his own country; the principles and systems of political economy and finance; commercial history and commercial law; the properties of natural products and the results of the processes of the arts,—all are intimately connected with the very details of his daily thoughts. If he be true, then, to his profession or to his own interests, must he not seek to open to himself every source of valuable practical information? Must he not be eminently desirous to consecrate the studies of his youth, and the brief leisure of his maturer years, to a specific and systematic preparation for his profession?"

Referring back to the fourth injunction, similar

to those so often but worthily brought forward in this book, we would give a particular caution against assuming or allowing a manner of repulsion, or even indifference, by which one may fancy the customer will be prompted to take hold of a trade the more sharply. That style may prove successful in exceptional cases; but such rash experiments will not bring back the customer who finds afterwards that by some means he does not quite understand, he was unduly impelled, if not forced, into buying. The one bargain may have been saved, but the customer is in such cases hopelessly lost. Nothing can finally be more destructive to the interests of a mercantile business than this time-saving expedient. A Boston lady, writing to the author of the "Practical Treatise on Business," undoubtedly voiced the sentiment of her class in the following:

"Some stores in ——— street are noted and avoided for the impertinently familiar manner which the clerks think proper to adopt towards their lady customers. When a lady goes into the store in search of some article that she is in want of, as soon as the gentleman sees her he comes forward, makes a grimace, pulls up his shirt-collar, runs his fingers through his hair, and assumes an air of easy familiarity that is quite refreshing to look upon. It is true he may not have much sense, but then he has a wealth of smiles; indeed, to listen to his conversation with his victimized customer, a by-stander might come to the conclusion that he was

proprietor of the establishment, and the lady had made the article in question a mere excuse for a morning call. This is annoying; but in this case one can leave the article and walk out. But there is one retail store in this town that is a perfect trap. Once in, it is impossible to get out. If the article does not suit you, you are worried and talked at; if you attempt to move towards the door, you are run after and brought back; if you tax your genius to give a most unmistakably minute description of the article you *do* want, the reply is, 'Oh, yes, madam, in the back store; if you will walk back, we have exactly the article you describe.' And so they get you further in; after looking about on the shelves, they profess to have found the object of their search, and down comes the very opposite of anything you ever wished to possess. After making half a dozen fruitless attempts to reach the street door, and being each time perseveringly caught and brought back, you give it up, and become submissive and willing to buy anything they wish you to, making at the same time a firm resolve, as you see your money going for things you don't know what to do with, that if you live to be as old as Methuselah, you will never enter that store again."

It is quite too common with the class of traders represented in this narrative to act as if the sale or operation in hand would have no influence beyond the moment. But this is a fatal error. It is not unknown in other walks of business, but is more common in the

exchanges of mercantile life. The salesmen chuckle at the ignorance or carelessness of the purchaser, and pat themselves on the back for selling a poor article at the price of a first-rate one. They forget that in every such operation two are cheated, — the purchaser and the seller, — the one of his money, and the other of his customer and a share of his trade. And the cheat does not end with the simple loss of the customer's trade; for the man becomes a continual walking and talking advertisement of the trader's bad character, and so deters others from encountering the hazards by which he has lost.

A skillful retailer, indeed, must possess a catalogue of qualities longer than that necessary for even the wholesale merchant. His intercourse with customers is extensive and varied; he has to deal with every grade of intelligence, shrewdness, fairness, and honesty. More depends generally upon his conduct and manners than upon the quality or price of his goods. But there is no other one quality that commands custom and brings profit so quick and so certainly to a retail store, as pleasant manners. It is the magnet that points to fortune. It is more valuable than glaring placards or advertisements, and quite as attractive, to say the least, as cheap or showy goods.

To the suggestions for clerks given in the last chapter, we will add here that to be an expert and popular salesman requires studious and careful training in both language and manners. To be exceedingly verbose or

in your talk persuasive beyond reason, will simply disgust your customer. The main point is just to impress him with the fact that you are trying to sell him what it is his interest to buy ; for that is also the interest of the seller. By this means you can approach his feelings more favorably and closely, and he will have confidence in your judgment and recommendation, since he understands well enough that the seller knows more about the value of goods than he does, or possibly than he can know. If they have imperfections or shortcomings, notify him frankly of them. Should he find them out afterwards, you are sure to lose more than you may have gained in that particular operation. Trifling attentions, seemingly of no importance in themselves, nevertheless please the customer ; and though they may not bring the dollar then, they are sure to do so sooner or later. In similar ways money is made by every word and every action that interests the customer in you and your establishment.

A retail merchant should have but one price strictly ; and if your goods will not sell at that, mark them down until they do. An adherence to this rule will give dignity to your establishment and impart confidence to the buyers, as many are not acquainted with prices, and if they see they are fixed, they will presume that the price marked is the regular and fair one.

Under careful attention to these general suggestions,

there is really no excuse for failure in the retail trade, always supposing that the buyer for the establishment fully understands his part of the business, and that he does not buy more stock than your capital will warrant. Rapid sales with small profits will soon tell favorably upon your fortune. If you are lucky in getting good bargains while purchasing, let your customers share in your luck; for you must ever bear in mind that their interests are yours, and if your business is understood to be conducted on this plan, they will come constantly flocking to your store to see if you have made any fresh strikes of this kind, since they are as anxious to pick up bargains as you possibly can be. By this means, too, you will easily push other goods off upon their hands.

Facts would show, if we should take the space to set them forth, that the kind of mercantile business one undertakes is of little importance: one is about as good as another, though some can be much more extended than others. A small beginning is usually better than a large one, on the principle that considers it better to have too small a store to set up the business in than to have one too large.

Now let us look a little at the profits and results, that you may know when you are doing well. If you surely make on the start, every day for three hundred and thirteen working days, but three dollars, above all losses by depreciation and expenses, you are making more than the average of wholesale merchants

—that is, if you make it and keep it. This small sum, if it should be increased to six dollars per day during the second year, nine dollars the third, twelve dollars the fourth, and so on, will make, with the additions, a large sum in ten years, if improved in your own business to the extent of only eight per cent profit. Daily earnings of three dollars, so improved, give in that time a total of \$13,980; of six dollars, \$27,961; of twelve, \$55,922; of twenty, \$93,205. Keeping the gain in the business, and managing it well, the amount in all probability would increase faster than eight per cent per annum; and in order to secure the earnings and make them work to the best advantage, this course would be the proper one to pursue.

But generally the same trouble attends this as in other lines of business. Tradesmen are very apt to take their surplus, and sometimes their necessary resources out of their business, and invest them in outside operations, as stock-gambling and real-estate speculation. If they do, they inevitably encounter the risks incident to kinds of business which they do not understand, and loss results, to an almost absolute certainty. In this is most of a successful tradesman's trouble. But if the retailer has more money in his business than he wants, if he can buy all the goods he needs to carry for cash, and still have cash over, it must be set at work earning more money. The method of doing that will be explained in a subsequent chapter.

The causes of failure may in general terms be stated to be :

First, want of knowledge of the fitness and value of the goods purchased.

Second, too much expense for the volume of business done.

Third, want of care, in knowing how everything stands.

We add some excellent remarks by Judge Hopkinson, of Pennsylvania :

“As a summary of the doctrines I desire to impress upon you, let me add that debts contracted in the indulgence of extravagant and unbecoming luxuries, or in the pursuit of rash and desperate adventures, are a violation of the sound principles of mercantile integrity; that the true merchant will thoroughly qualify himself for his business by a practical and systematic preparation, and will depend upon the regular operations of legitimate commerce for his profits, which, though more slow, are finally more sure and lasting than the fluctuating gains of speculation; that if misfortune and bankruptcy should fall upon him, he will meet them promptly and manfully, and not attempt to gain a few lingering, anxious days of credit for himself by drawing his friends into the vortex of his ruin, and extending it to others who may unwittingly continue to trust him. He will rather at once surrender into the hands his creditors shall choose to hold the trusts for them all the property in his possession

or power, unencumbered by selfish stipulations for his own benefit, undiminished by any concealment or by assignments or transfers to favorites of any description."

The general principles which insure success are the following:

BE POLITE.

Keep insured.

Owe no man a dollar.

Buy slow ; sell quick.

Rise early and work late.

Keep slow goods moving.

Cheap bought, easy sold.

Take care of that which needs care.

Catch the passing penny ; then hold it.

Turn all your keys yourself, if possible.

Make your customers' interest your own.

Be honest, economical, and industrious.

Keep expenses down ; make your profits rise.

Trust nothing, because you can sell without it.

Few words and many pennies. Time is money.

Work at clerking until you save enough to start on.

Beware of your friends, but not of your customers.

Keep your glass, your stock, and your conscience clean.

Know the market value of what you buy, and its demand.

A failure, if honest, is capital by experience. Don't lose it, and start anew.

Mind your own business: you can not afford to attend to another's without pay.

When you buy, keep one eye on the goods, the other on the seller: when you sell, keep both eyes on the buyer.

By the assiduous application of these general principles, it is easy to get and keep business; and that is all that is necessary in order to make money. Particularly remember that to make every one who enters your place of business friendly to you, and interested in you and your success, is to have a walking advertisement that will bring you untold sums. The little amount you make on a single sale is as nothing, in comparison with this. Save your customer and his interest at all hazards, and do not let him ever go away dissatisfied, no matter what it costs; you will make money by the operation. The old saying, "Throw a sprat to catch a mackerel," may well be studied in the true philosophy of it; and no matter what the business may be, the principle pays as well in trade as in fishing. If you are after money, your personal prejudices and idiosyncrasies should never be allowed to stand between you and its attainment.

Many principles may be found in other sections of this book, applying equally well to this business as to others; and although what has been said under this head may prove of advantage, there are numerous

others that might be equally advantageous. We will not stay to recapitulate them, but will close this chapter instead with Dr. Franklin's wise and every way admirable

HINTS TO A YOUNG TRADESMAN.

Remember that *time* is money. He that can earn ten shillings a day by his labor, and goes abroad or sits idle one-half that day, though he spend but sixpence during his diversion or idleness, ought not to reckon that the only expense; he has already spent or thrown away five shillings besides.

Remember that credit is money. If a man lets his money lie in my hands after it is due, he gives me the interest, or so much as I can make of it, during that time. This amounts to a considerable sum where a man has a good and large credit, and makes good use of it.

Remember that money is of a prolific generating nature. Money can beget money, and its offspring can beget more, and so on. Five shillings turned is six; turned again, it is seven and threepence; and so on till it becomes an hundred pounds. The more there is of it, the more it produces every turning, so that the profits rise quicker and quicker. He that kills a breeding sow destroys all her offspring to the thousandth generation. He that murders a crown destroys all that it might have produced, even scores of pounds.

Remember that six pounds is but a groat a day.

For this little sum (which may be daily wasted either in time or expense unperceived) a man of credit may, on his own security, have the constant possession and use of a hundred pounds. So much in stock, briskly turned by an industrious man, produces great advantage.

Remember this saying, "The good paymaster is lord of another man's purse." He that is known to pay punctually and exactly to the time he promises may at any time and on any occasion raise all the money his friends can spare. This is sometimes of great use. After industry and frugality, nothing contributes more to the rising of a young man in the world than punctuality and justice in all his dealings; therefore never keep borrowed money an hour beyond the time you promised, lest disappointment shut your friend's purse forever.

The most trifling actions that affect a man's credit are to be regarded. The sound of your hammer at five in the morning or nine at night, heard by a creditor, makes him easy six months longer; but if he sees you at the billiard-table or hears your voice at a tavern when you should be at work, he sends for his money the next day, demands it before he can receive it in a lump. It shows, besides, that you are mindful of what you owe; it makes you appear a careful as well as an honest man, and that still increases your credit.

Beware of thinking all your own that you possess, and of living accordingly. It is a mistake that many

people who have credit fall into. To prevent this, keep an exact account, for some time, both of your expenses and of your income. If you take the pains at first to mention particulars, it will have this good effect — you will discover how wonderfully small, trifling expenses amount up to large sums, and will discern what might have been and may for the future be saved, without occasioning any great inconvenience.

In short, the way to wealth, if you desire it, is as plain as the road to market. It depends chiefly on two words, *industry* and *frugality* — that is, waste neither time nor money, but make the best use of both. Without industry and frugality nothing will do, and with them everything. He that gets all he can honestly, and saves all he can (necessary expenses excepted), will certainly become rich — if that Being who governs the world, to whom all should look for a blessing on their honest endeavors, doth not in his wise providence otherwise determine.





CHAPTER XVIII.

THE WHOLESALE MERCHANT.

Where sails the ship? It leads the Tyrian forth,
For the rich amber of the liberal North.
Be kind, ye seas; winds, lend your gentlest wing;
May, in each creek, sweet wells restoring spring!
To you, ye gods, belongs the merchant. O'er
The waves his sails the wide world's goods explore;
And all the while, wherever waft the gales,
The wide world's goods sail with him as he sails.

ANONYMOUS.

The mission of the merchant is indeed, when rightly viewed, one of the most important of the occupations of men, and has in all ages exerted a deep influence on the progress of society and the destiny of nations. Geologists have begun to discover that the steady flow of water is, after all, accountable for greater terrestrial changes than spasmodic bursts of volcanic fire. Thus, too, commerce, in its earnest, silent, undemonstrative way, has produced more momentous and permanent revolutions among the peoples of the earth than war, dazzling us with the glitter of its arms, deafening us with the blare of its trumpets and the thunder of its guns, and awing us by the visible signs of its victories and desolations.

J. HAMILTON FYFE.



It was asserted two decades ago that down to the year 1862 comparatively nothing had been made in wholesale merchandising in the three large cities of New York, Philadelphia, and Boston. It was rather a startling proposition, and is certainly not true of the twenty-two years that have elapsed since that date;

but it nevertheless was then true, in the matter of realized profits. That is, the amounts of capital invested had no more than been withdrawn as a total result, without the addition of profits, if indeed that much had been realized. Millions upon millions had been made, but little or nothing saved in the aggregate, while the fortune of those who were successful was more than offset by the failures and bankruptcies. Few, indeed, were fortunate enough to retire at their high tide of business, and take their gathered competencies or fortunes with them.

Suppose we take the average capital of wholesale houses during the time specified to have been \$50,000, and see what it would amount to, improved at compound interest at seven per cent for an average term of twenty-five years in business. We find the aggregate by the table to be \$271,500. So that, in order to make anything, they must end with more money than this, which represents their original capital improved for twenty-five years, if they remain in business so long. If the whole, or rather the average, do this, they have simply got their expenses back. This, however, is well known to be far above the average. For, as has been shown by the statistics, there are not five per cent who do not fail utterly.

The causes of so large a percentage must clearly come into consideration in the calculations for success. What are the elements of the calculation? and where are we to look for the remedy?—these are the great

questions. Now, why do these merchants fail? Is it for want of capital? Not at all; for those who have large capital, at times as much or more than successful banks, quite often fail. Let us see what a bank makes, and compare it with what a mercantile house makes on the same capital. A bank stands in good credit, is considered safe, and its stock is in active inquiry, which year after year pays an average of seven per cent. A mercantile house, with the same capital, would be considered as doing business to but small advantage if the partners did no more than divide the interest on their respective shares of capital, at the end of the year. Here, then, is a paradox. Why is the mercantile house, with about the same capital as the bank, expected to make more? The bank may have twelve to fourteen experienced business men, often selected from the very fact of their success, to transact its affairs; while the counting-room of the merchant may contain but one, two, or three such persons. Thus the odds on making even seven per cent seem to be against the mercantile house.

Again, the banks, under the present national system, almost invariably succeed, while the mercantile establishments, as we have seen, are peculiarly subject to failure, showing that they do not make as much as the banks. Now, let us suppose the case of a bank with \$200,000 capital, paying seven per cent, or \$14,000, profit to the stockholders, above all expenses. Then suppose we have a mercantile firm with the same cap-

ital, and that it should turn its capital over three times a year — that is, should sell to the amount of \$600,000. To do even as well as the bank, they would have to divide \$14,000, or only about two and a quarter per cent on sales, all above that going for expenses. If there were three partners in the business, each with families, their united expenses, on a safe rule, would be \$15,000, and store expenses at least \$10,000, making a total of \$39,000, or six and one-half per cent, to be made on sales of \$600,000. So, if the firm lost nothing, it would, on this statement, just clear the interest on its capital; and if it should lose, so much would have to be deducted.

But so large an amount of sales, without some loss, is impossible under the present system of doing business. One of two things must take place: either the firm would not make the interest on its capital, or it would have to make more profit in order to do it, to cover losses. A settled principle in business is, the more profit the more loss; and as a general rule the profit over the settled rate of interest will be absorbed by loss. Within this principle lies the secret of mercantile failures. The great desideratum is to find out just where and what it is.

At the rates goods are sold, wholesale or retail, every one acquainted in the least with business of this kind knows that the average profit on \$600,000 sales would be much more than \$39,000, and at even a low calculation would reach \$60,000 to \$90,000. Either

result would be eminently satisfactory to all parties, if there were no losses; for, upon the hypothesis stated, the net profit, after paying expenses and interest on capital, would amount to \$21,000 to \$51,000, say on an average \$36,000. If the house did a business of this volume for twenty years, we should have by the table of earnings a total amount of \$1,521,826. If the earnings are regularly improved at seven per cent, or continued for twenty-five years, they will mount to the sum of \$2,357,838; for thirty years, \$3,417,993; forty, \$7,547,062; fifty, \$15,526,069. Let it be remembered, too, that all this is independent of the interest on the capital, \$200,000, and above what a bank would make in the same time, with profits improved at seven per cent on the same capital, if it divided seven per cent in profits.

Now, is there no way in which the merchant can secure a part, if not the whole, of this difference? It is believed that there is a way entirely dependent upon the style in which the business is done. If the merchant made no losses, this end could easily be accomplished; for there is no difficulty in making the requisite amount of profits by sales. The whole difficulty, then, rests in the losses incurred. How can these be prevented? The answer to this question contains the secret of success or failure.

As a class, the most successful merchants are those known as auctioneers. Why? Because they transact their business by methods that come nearer the prin-

ciples of banking than those of other merchants. Their sales are made on shorter credits, and for indorsed paper or for cash. True, their commissions are small by comparison with the merchant's profits; but they demand and get security accordingly. From these facts, as well as a more general consideration of the subject, cash sales, or sales for short-time, indorsed paper, will give the desired results, if only adequate care is taken in the selection of credits.

Within the last twenty to twenty-five years, mercantile business has been done more on the cash or short-credit system, with results apparent to any one. With the exception of some of the panic-years, there never has been a time in this country when merchants were more prosperous, or their trade in a more healthy condition. But a change will come sooner or later. The inordinate desire to make more and faster, and the necessity in many cases to do so, on account of expenses, will induce longer credits, and hence larger profits, giving buyers a chance to use the proceeds of sales in side operations, or to cripple themselves by the increased price of goods, till the same old story is re-enacted for the thousandth time — loss all round.

A general impression prevails among merchants that if they can secure a customer, sell him goods at a large profit, and get his note, so long as it is reputed to be good, here the matter ends. As the very foundation of the security of the note, the merchant should see that his customer not only gets his

goods of him at such price that he can make ready sale of them, but that he buys of other good houses doing business upon similar principles. He should know all that the other buys, and of whom, and when due. In other words, see to it that your customer is made able to pay by a judicious and careful selection of his entire stock. To shave a customer is but indirectly, first or last, to shave yourself. Look at the prospects and profits of your customer as though they were your own, for they will turn out so in the end whether you think so or not, and whether you give any attention to the matter or not.

This is one way, and the surest of all, to make your note good, and secure its payment. But if the customer feels that this is more than he ought to communicate, sell him the goods for safe indorsed paper on short time, if you can, or for cash, under the inducement of a liberal percentage of reduction. You will probably lose by selling to him in any other shape. They seem to be pretty stringent terms, but it may easily be shown from statistics and experience that they will be the safest for you, and make you the most money in the end.

The frequent method of giving credits by mercantile firms is to drum in any stranger that can be found at a hotel or met at a railway depot, and sell him a bill of all the goods he will take under pressure of salesmen and proprietors, with all the profit that can be stuck on. After all is done the buyer is asked for

his references, and some salesman or book-keeper, or possibly the porter, is started off to make the inquiries. The replies are all, of course, as a general rule, satisfactory; for your customer is not likely to send you to any one who will not speak well of him. They are generally merchants also who are selling, or have hope of selling, goods to the same man; and their interest, to some extent, lies in your selling to him also. Resort is then had to a mercantile agency—the best place, to be sure, for you to get what is commonly deemed “reliable information”; and they are generally valuable and useful in their judgments of the higher grades of credit. But in taking their recommendations you simply look to the amount of your own transaction, as compared with his capital or business ability, and at the same time know nothing of the amounts he is buying of others, on his capital, along with his purchases from you. So that he may be perfectly good on a moderate, perhaps a large, bill of yours, which you nevertheless would not sell to him, if you knew that all his purchases of the same period amounted to \$50,000 upon, say, a capital of \$5,000. Information from a commercial agency, therefore, is not altogether reliable as a basis of credits. It may be useful for auxiliary information, but should never be relied upon by itself. You can form no intelligent or safe opinion, in granting credits on single-name paper, unless you are in possession of every item and particular of your customer’s business. In order to reach

this end, if the scheme be practicable, the firms who sell their various goods on credit to the country merchants might club together, or so pool their interests as to control the business on single-name paper.

These remarks address themselves more particularly to the interest of the jobbing merchant; but his credit is similarly dependent upon the same general principles, and the merchant who sells to him must in like manner scrutinize the foundations of his business. For it must be kept in mind that upon trading for cash or short-time, indorsed paper, or any single-name credit, and upon its careful selection, the success of the merchant depends, as well as his failure. While toil and anxiety, care and caution, saving and accumulating, are not the act of a day or an hour, how frequently do we see all this hazarded by a credit decided upon in a few moments; and that, too, not by the intelligent action of the owner, but in general youth and inexperience, and by one who has actually no personal interest in the result. Is it, then, a wonder that merchants fail? or, if they do not fail, that they lose largely by such inattention at the very working-point, requiring all the judgment, skill, knowledge, and tact that by all conceivable means can be brought to bear?

The safe rule of credit is to accept only such paper as you can dispose of without recourse. If this be adopted as the settled rule of a mercantile house, to be steadily observed (and it can be done), the firm will

certainly make money, and make it fast. There is no trouble about it in individual cases; but if it should be adopted as a rule by all merchants, it would soon become impracticable. There is no fear, however, that the whole trade will suddenly become so wise and so keen. But any *one* may undertake it with impunity, and be sure to make an early fortune.

The merchant who starts with the modest determination to make one thousand dollars above his expenses for the first year, to owe no man a dollar at the end of the year, and to have then his money in bank or represented by good marketable property, will, if he judiciously seconds his determinations by his deeds, be a wealthy man at the end of ten years. For this small sum, as a certain gain annually, is more than the average of mercantile houses make, as may be seen from the statistics in a former chapter.

Let us give this case more particular examination. The second year our cautious merchant will undoubtedly double his \$1,000, the third year triple it, and so on, increasing his income by \$1,000 every year, till the end of thirteen years. Keeping his gains at work in his business, he will then have made, say, an average of \$5,000 per year; and by using them for cash purchases he will improve it at a rate equivalent to eight per cent per annum. This will be an average of \$16 a day. Now look at the table of earnings for ten years, and we find the earnings of \$10, \$5, and \$1, added and improved for the time given, amounting to

the neat sum of \$74,564.31. And if he only made \$1,000 a year for twenty-five years, improving it to the rate of eight per cent in his business, he would have \$74,342, being \$3.13 per day, with eight per cent compound interest.

But what wholesale merchant, with the ordinary volume of business, selling for cash or easily negotiable paper without recourse, can not instead make \$25 a day? This in ten years, improved at seven per cent, would be \$111,144; in twenty-five years, \$512,549; in thirty, \$768,865; in forty, \$1,640,525; in fifty, \$3,374,939. How many ever amass these sums? and how few do not make the specified sum per day, and even more? It is no great daily amount to make; but it is a very large sum to keep. From this it will appear how largely the energies and attention of the merchant should be directed thitherward. It is, indeed, the whole of money-making. The getting of the same daily sum will pretty nearly take care of itself.

The following suggestions will be found useful in this connection:

LOOK TO YOUR CREDITS.

Avoid large sales to one person.

Be modest, but feel your strength.

Have a small house and large capital.

Look out when your credit is too good.

Take little credit, and have much money.

Owe no man a dollar, if you can avoid it.
Keep your expenses low, your profits high.
Let fashion alone, or it will not let you alone.
Be honest, economical, agreeable, and pleasant.
Make a little, and make it sure ; then look at it.
Have an eye to all that may damage by neglect.
Make no useless expenditures while you owe others.
Get into an old firm, rather than establish a new one.

If you fail, give up all to your creditors, and start anew.

Have a general extended knowledge of all things you deal in.

When you buy, take care ; when you sell, take quadruple care.

Marry early a good wife ; but a poor one may be better than none.

Go into business on your own account rather late than too early in life.

Credit no more than you can afford to lose ; but no credit will make more money.

Keep your property well insured : you can not afford to lose while you are trying to make.

Mrs. Grundy will not pay your bills ; therefore don't let your wife spend too much to please her.

Failure is one among many things the purchaser pays for in the price of the goods he buys ; and therefore he has the moral right to fail. But when he

does fail, he is also morally bound to give up what he has and all he has to his creditors, since that is tacitly presupposed in the sale. As a rule, failure is disgraceful, because it indicates inability, incompetency, and lack of skill and knowledge, and thus affects the bankrupt for life. The seller must charge a guarantee on his sales to cover possible loss by failure; and the buyer is bound by necessary limitations to pay at the time of failure no more than he has then on hand. To do so afterwards, paying his creditors to the last cent, when he has the means to do so, is praiseworthy in the highest degree.

No one can rightly estimate the pecuniary benefit resulting from kind, just, and fair treatment of those whom you employ. Gentle and righteous dealings with those who work for you or manage your affairs will in due time put money in your pocket. The opposite usage will lose you as much, if not more.





CHAPTER XIX.

THE BROKER AND THE COMMISSION MERCHANT.

Commerce, in every age of the world, has been the chief pioneer in the march of man's civilization. Unlike the achievements of war, the track of commerce is ever to be traced by the blessings which follow its footsteps. It travels over no blood-stained fields to secure its noble ends: it brings man not into deadly strife with man, but into friendly and harmonious association. Its conquests are not heralded by tidings of fierce and deadly and demoniac conflict: no blood stains its triumphs, no human agony has it to answer for. It works by far different and immeasurably better means. It removes local prejudices, breaks down national antipathies, and binds the whole family of man together by the strong ties of association and of mutual and dependent interests.

HON. REVERDY JOHNSON.



THE great classes of merchants are not exhausted with the wholesale merchant, or jobber, and the retailer. There remain the broker and the commission merchant. The former is paid by the percentage he receives for purchasing or selling property of various kinds, or for procuring insurance or labor, and often money. Sometimes this "brokerage" is paid by the person receiving, and sometimes by him who through his agent is parting with property or labor; sometimes by the borrower, at others by the lender; by the

insurer, or by the insured; and occasionally by both parties for whom he acts.

There are other varieties of brokerage, but these noted are the most important. Brokerage for transactions in property is made by the purchase or sale of stocks, real estate, vessels, merchandise, grain and other produce of the earth, etc. Other brokerage is for procuring fire, life, marine, inland, or other insurance; for shipping seamen, hiring servants or laborers, and the like; for obtaining money on bond and mortgage, loans on collaterals, on promissory notes, or other securities. The value of these varied services to all parties depends upon the skill and fidelity with which the trust is fulfilled. The ability of the broker to fulfil the trust to the advantage of both himself and principal, depends upon his knowledge and activity. To make the most money, then, by his business, he must act for the interest of his employer, and be perfectly reliable and honest, skillful and active. He should know everything about the business and the goods in hand, in their value, the supply of and the demand for them. He stands to his employer in the relation of a trustee, and the manner in which he performs the duty of a trustee will either make or lose him money. It may not in any one instance, for he will get his brokerage all the same, whether his work be well or ill done; but how will it stand with the next operation, and with his reputation, to get more and new business?

His ultimate success will depend mainly upon his observance of this injunction ; but there is still another important consideration, and that is whether or not he confines himself strictly to his legitimate business. A broker can not be a broker, and at the same time buyer and seller on his own account, without losing money by the combination. He can not be a buyer and seller to any large extent, without losing altogether the character of a broker. He will have to buy and sell in secret or "on the quiet," as the phrase goes, if he does at all ; and then he may be assured the unhappy fact will leak out. In such a case the buyer can not know whether he is buying of an owner or of the owner through a broker, or whether he is selling to his broker or through his broker to another. All confidence is soon lost ; and of the two parties the broker loses the most. The little money he may make on a side operation will be largely overbalanced by loss of his regular business. If a broker wants to buy, he ought certainly to have the privilege of doing so ; but let him employ another broker to do the purchasing for him, or else proclaim the purchase to be for purposes of investment. But never speculate in the articles you buy and sell for others : you will lose more than you will make.

The most money, when the business is legitimately transacted, is in brokerage on the sale and purchase of stocks ; but the temptation to brokers in this line of the business to speculate in stocks on their own account,

is so great that few have the strength and self-command to resist. Hence few start with a fixed determination to do business merely as agents, who do not presently find themselves in the almost universally confused vortex of the stock market, with all distinctions of broker and operator practically lost; and the ultimate result of such combination is almost certain failure. On the contrary a strict adherence to simple brokerage, taking no risks and acting simply and solely as agent for another, will likely roll up a fortune in a short time. It requires only to be known that by no peradventure can money or property be lost or suffer unrighteous shrinkage; and business will center rapidly on such a concern from every point of the compass. To make sure of this end, never sign your name to a responsibility, or assume one. Take the proceeds of each day's business and as soon as possible set it to work at interest; then you have only to look at the tables of earnings, and put there your finger on the year at which you fix your fortune.

You may, and probably will, have customers who speculate in stocks; and if you can not refrain from such operations yourself, it is well to learn the best ways by which they are carried on. But the best ways are poor enough, in all conscience, as the experience of countless "lame ducks," as they are called in the stock markets, will testify. If one has nothing to lose and everything to gain, this kind of business may

be as good for him as any other in a pecuniary sense; but not otherwise.

There are certain rules even of the gambling-table, that apply to stock speculations. One would naturally suppose, as a rule, that it was about an even chance to win or to lose; but in the long-run there is not one chance in one hundred of winning, while there are at least ninety-nine that you will lose. The reason why the gambling-table is so costly to the luckless adventurer is not that there is not as much chance of winning as losing on a single cast; for there is just as much, less the percentage in favor of the table to pay its expenses. But the difficulty and the general fatality lie in this, the game can usually be continued when the bank is the larger loser, and stops when the better is the larger loser, and has no more money to go on with. These fluctuations are great and incessant; and the bank always goes on by the backing of its larger capital, while the other party, not having anything like an equal, much less a superior capital, must stop all the sooner — when he is “broke.”

It is just that way in stock speculations, except that there is a yet more fatal element in this than in gambling. An operator buys a stock to rise; and still he will hardly ever strike the highest point or sell to an advantage. Why? Because he will either be fearful that it will not go higher, and will sell at a small rise, or will wait for it to go higher, and after all not sell until it gets lower. Should it begin to fall, however,

he will not sell at the first fall, since he expects it will recover; but it still goes down and down till its hapless owner, like the gambler, stops only at the lowest point of his resources.

The sole hope of making money by operating in stocks is to determine a rule of chances mathematically, and then adhere to it strictly. Suppose a stock is twenty per cent below its average value, buy what you can hold, and determine that you will hold until you can sell at, say, ten per cent advance. The chances are in favor of your making the ten per cent, if you wait long enough. If the stock is going at a rate above its real value, never "sell short," as it is called, since you may not be able to get the stock by reason of "a corner," and hence will lose largely. Notwithstanding this is the only true and safe rule, the experience of speculators is that most money has been made in selling short; for generally when shorts begin to tumble failures occur which bring more of them into the market, and hence prices fall further and finally reach an unnatural and unnecessary depreciation. If the stock is so large as to warrant the belief that a "corner" can not be made under any probable combination, it is perhaps a reasonably safe way to speculate. But the solid, substantial, steady-going money-maker should resort to nothing of the kind, as money is always lost by it in the end.

As a general rule, if an eight-per-cent-paying stock is below par, buy; if a six-per-cent-paying stock is

above par, sell ; if a seven-per-cent-paying stock is at par, hold — buy or sell according as it is above or below par. Good stocks, if they pay eight per cent or more, will do to hold for making money ; but if they pay no more than seven per cent, bond and mortgage at the same rate are better. Stocks, though, are frequently held for use as convertible securities ; but if they are not so held, bond and mortgage is the safest and best, because all stocks are liable to accident, and bond and mortgage is not, when proper care is taken.

A great deal more could be said on this branch of the mercantile business ; but the limits of this work will not allow. The general principles laid down in this chapter are all that are required to insure positive and certain success. One point, however, must not only be remembered, but carried to its fullest extent : *takes no risk*. If your principal wants you to buy, take the property in his name as agent. “But,” says the broker, “I could do no business at that rate. If I do business, I must do it as others do the same.” All that remains to say to such a one is, “Then do it, and land just where the whole of them land in the long-run.”

But you can do otherwise. It may go at what might be regarded as a slow rate at first, but the moment it becomes known that you are positive and reliable, everybody who wants an honest, trustworthy broker, doing an exclusive and legitimate business, will come to you, leaving the half-broker and half-speculator,

since all experience shows that he is not a safe dealer. As you are gradually and surely becoming a rich man, you will see one after another drop by your side, many of them falling to rise no more. "There is nothing new under the sun." "What has been, will be again." For a time you may see prosperity, power, fortunes, perhaps measured only by millions, rolling up by the side of your modest earnings; but the old fable of the race between the tortoise and the fox will come back again, and its result will be repeated. You have only to stand by your principles and determinations, and you will in the fullness of time equal the most prosperous and outstrip the vast majority of the crowd. All other applicable principles in previous chapters, relating to other business, must also be observed in this.

The commission merchant has likewise a safe money-making business. There are two principal points in it, within one of which is enclosed the danger of loss. Goods sold purely on commission are in the broker's business; but the percentage is commonly higher in the hands of the commission merchant, so called; and this part of it is safe. By energy and care, combined with business tact, it can always be made profitable, and is peculiarly safe, since no risk is run, the principal assuming all. But when sales are made on credit, the commission merchant guaranteeing the sales and charging a percentage for it, danger in this business

begins. The commission is very large, and the amounts guaranteed very small; and to make the business at all successful, those conducting it must do it on at least as careful judgment in value of credits as banks exercise in taking their paper, if not better; for the guarantee is ordinarily two and one-half per cent on six-months' paper, while the banks get three and one-half per cent for the same length of credit paid once in the meantime. They do not take, as a general rule, commercial paper running over ninety days.

Commission business, when it guarantees credit sales, is a very close business; but without guarantees it is one of the safest, and sometimes one of the most profitable, lines of business that are done, especially in those fortunate cases where a house gets five per cent on sales, and gives no guarantee. It is not a difficult matter for an enterprising commission house to sell half a million a year; some go as high as one million, and even higher. Examine the case of one making a million in total amount of yearly sales, with commissions \$50,000, less expenses \$20,000, leaving a clear profit of \$30,000 per annum. Let this continue for twenty years, and we have, improved at seven per cent, an aggregate sum of \$1,267,196. In half that number of years it will amount to \$425,126.

Upon any basis which excludes the idea of losses, a commission business operated upon these principles would soon realize a splendid fortune to the merchant. When the business for him can be procured, none

other is quite so safe as this, or so certain of realizing an independence, provided only the credit sales are not guaranteed. But success depends entirely upon the amount of business that can be brought to his doors. If energy and thorough-going honesty can be commanded to back and bolster the business, goods and other property are sure to come, perhaps slowly at first, but certainly with perseverance bringing ultimate success. The grand feature, in view of such small profits, is to run no risk; and the danger lies in accepting or acknowledging while the property or goods are in transit, or on the promise of their coming safely to hand. Better not do the business at all than break over a rule. If you do break over, you will lose money by it, if not in the transaction itself, yet at least by the loss of your credit as a man of business professing a rule of business action, yet acting in frequent violation of it.

Nothing else pays a merchant so well in this line of business as the well-understood fact that he takes no risks, and that therefore whatever property may be sent to him is absolutely safe. If, in order to get property into your hands, you make a practice of the guarantee, you must needs have large capital to back your credit. If you do not guarantee, little or no capital is required, and you can substitute excellent personal and business qualities therefor; and if they are substituted your customers must understand that they are as good as money. This is credit; and unless this is founded upon capital, your personal qualifications

need to be of the highest order, more to be depended upon even than money.

In fine, every quality that should characterize any other business man, the commission merchant should possess in an eminent degree. For if he is successful in having property entrusted to him to manage and sell, it will be often in large amounts, and from owners who, if they are not true business men, will scrutinize every point, to make sure that their property is in capable, reliable hands. Once a character is established and your rules of action known, there will be no further trouble. A comfortable living, an independence, a fortune, await you.





CHAPTER XX.

THE LAWYER.

I oft have heard him say how he admired
Men of your large profession, that could speak
To every cause and things mere contraries,
Till they were hoarse again; yet all be law.

BEN JONSON.

In their place, the lawyers of a Christian land are not useful merely, but absolutely essential; and a sound, conscientious lawyer is a character not to be admired merely, but a character of great beauty. The profession is an ornament to civilized and Christian society. They are a moral and intellectual police, and the insurers of justice between man and man.

REV. JOHN TODD, D. D.



THE lawyers comprise a large and important class of the business community. Their labor, altogether of an intellectual character, has its value, like all other labor, greater or less in exact proportion to the knowledge and skill displayed in it. The remaining chapters of this book can not comprise all divisions of this kind of labor; but one or two of the leading professions will be taken as examples or types of the whole. The lawyer is not taken because of his special and marked individuality, but as representing an extensive and influential division, the discussion of which will cover as many points as any other.

As a general rule, intellectual labor presents as many opportunities to the money-maker as any other branch of industry, and probably more than any other, to make an independence. For so much as they gain they have; and they can not lose their capital. They are in position to get all the profits, with none of the risks of losing what they put into their business — referring simply to the intellectual part of it. It can not, from its very nature, take the wide range of manual labor, because its success requires a special mental ability, which all do not possess. It often happens, however, that minds which in general ability are absolutely below mediocrity succeed in the profitable practice of professions, by their possession of peculiar personal qualities which enable them to foist off their services at some price or other. Money, therefore, sometimes flows to them quite as fast as to the abler minds, which trust alone to their value for a market.

The profession of the law may be considered under all ordinary circumstances a reasonably safe and certain way to make money. It usually requires some capital to meet the expenses of a preliminary education, and to live upon while waiting for business to come in; though there are cases on record of high success which has been attained by the moneyless youth; and when cases do arise in this way, they spring up strong and vigorous. Numerous instances could be named in which the raw, untutored lad en-

tered the lawyer's office to run on errands and sweep out, for just pay enough to keep soul and body together, and by sleeping where he could, with now and then an extra morsel to break the monotony of crackers and water, he steadily pushed onward and upward, reading as he could find time and opportunity, until finally a good legal preparation was made, he was admitted to practice, and business, independence, fortune, fame, high public and social position, followed in rapid succession.

A wise man will not merely argue analogically, but if he also sees a fact, and observes that the mode by which it becomes a fact is simple, he will not try another. So it should be with the law-student and the practicing lawyer. If you see one man making money in his profession, watch him and see what he does, if you wish to do what you are not doing. To be sure, there are various roads leading to the same place; but if you do not know the way yourself, is it not prudent to follow the teamster that has driven the way, and who is just in front of you on the road? Then do as you see the successful man doing, and your chances are as good as his, other things being equal.

If a lawyer had the concentrated knowledge, ability, and skill of ten successful attorneys, his capital, without use, would lie as dormant and worthless as gold and silver in the earth. Till he gets a start, he must move about among men of business, unless he

has already made up an acquaintance while he was a student. He must know people, make personal friends and personal interest; for although he does not get his dollar every time he does this, and for every hour he spends in profitable and pleasant conversation with a friend, or perhaps a stranger, there is nevertheless a dollar in it; and if he has done his part and left a favorable impression, he may get it shortly. *It will come.*

Like the mechanic's first job, your first case offers your golden opportunity. You must look well to what you say or do, and to the impression you make upon your client, in order to realize the most by your opportunity. Upon this depends whether you will make him a permanent client, and one who will sound your praises wherever he goes, or will turn him to a business or personal enemy. The manner, the promptness, the care with which you attend to his case, and the interest you manifest in his interest, will determine some great points in the monetary history of your life. Remember that in every step of your profession, and in every move you make, there rests your dollar if you choose to reach for it. If you fail to plant an anchor of interest in your very first client, you lose largely, for you have then to make a fresh start, and from a point further back than you were. The difference in the final result to you is the same there would be in dollars, whether you placed the sum you received of him, to be improved at compound inter-

est, or whether you simply added each year the same amount to it.

Suppose that you receive for your first important case \$200, and you displease the client: this, compounded at seven per cent interest for twenty years, would amount to \$774. If you please him, and add through his business and that obtained through his recommendations, say \$200 a year, and improve that sum in like manner, you would have a total of \$8,468—a difference of \$7,694 on your scale of fortune, simply from pleasing or displeasing your first client. This would seem to be worth a little care on your part, and indeed worth working for pretty carefully and industriously. Such apparently little, unimportant matters are really the very ones best worth considering by the young lawyer who intends making the most money he can by his profession.

When a client or other man of business enters your office, then, speak pleasantly to him. If you are writing or otherwise busy, rest for a moment, till you ascertain whether he has called to ask you a simple question or make some remark, or wishes to engage your attention on business for some length of time. He will either proceed with his inquiry, or make his remark upon the subject he has in mind, or let you know that he wants to speak to you on a professional affair. If he merely asks his question, with a manner indicating his haste, answer him at once, briefly but pleasantly, and let him depart. If he speaks on gen-

eral matters, with a manner evincing no haste, and has evidently called rather for social than business purposes, ask him politely to sit down, and pay him such little attentions as you can get time for. You can not tell what benefits may result from his call and your courtesies. But when these preliminaries have been finished, if you are really too closely engaged to give him further time, you can say, "My friend [or my dear sir], you must excuse me a few moments, for I am very much occupied just now. Call at my house at eight o'clock any evening when I am in, and we will talk over that little matter." Or, if his call is on business: "Pray excuse me for the present, as I am very busy; but come again at two o'clock, when I shall be disengaged, and I will gladly see you."

Now, you have made money in three ways, by your gentlemanly conduct :-

First, you have improved your general character in the community — a point essential to your success.

Second, you have shown your client that you are a gentleman, and that you are systematic in your business, economical of time, and attentive to the matter immediately in hand. He will thus have confidence in you, and personally respect you. If nothing happens to reverse his impressions he will give you other business when he has it, and will commend you to his friends.

Third, you have shown him that your business hours

and your office are not intended for gossip and social intercourse, and that your house and parlor are. He respects you all the more highly for this, will consider you better worthy the name and place of a business man, will recommend you cordially as such, and give you his business as it may arise.

The very reverse of this, however, is too often the case. Entering the lawyer's office you may see a callow youth with a calf-bound book in one hand and a cigar in the other, his chair tilted back upon two legs, his feet on the mantel or table, level with his shoulders or higher, a pool of tobacco spittle on the floor, with numerous highly colored evidences of hydraulics of similar kind, and a general atmosphere of mustiness and stale tobacco. The caller in a case recorded was a business man, who had heard through a friend that a highly promising young lawyer had opened an office just where he found this choice specimen of humanity. But one call was enough; he made some casual inquiry, and then regained the street as soon as possible, lest he might meet, as he dreaded to do, the very friend who had sent him there. That one cigar, with its surroundings and accompaniments, was the cause of the young lawyer's failing to get the fees in a pending case, in all amounting to \$230, besides the more serious failure to secure a well-paying and permanent client.

There is another case—this time of a young attorney who had the propensity to impress everybody

with the idea that he had so much to do he could not find time to do anything. When any of his clients came to his office, he at once set about making a silly fuss in his business, starting the clerks off in all directions at the same moment, and making a great noise generally. It happened one day that a client of his was on his way to the lawyer's office, which he had already visited in vain several times for a moment's conversation with him concerning a cause about to be argued. Every time he went he had to make a journey of some four miles and back, and every time the fellow made the excuse that he had not a single moment to spare, and could not then say a word to him on the subject. But it also happened, as the client had observed, that new patrons came in during his short stay, and did talk with the lawyer for quite as long a time as he, the older client, wished to talk with him.

But as he was making his familiar trip on this occasion, with special anxiety about a point in the case which he feared the lawyer might have overlooked, he fell in with an extensive dry-goods dealer, who began to tell of an incident which had just happened to him. The man was evidently somewhat excited, and opened in a strain like this: "A little puppet of a lawyer, whom I have made rich by the business I have given him, has been worrying the life out of me by making me call at his office time and again, in a matter that would not take him two minutes to conclude. Several times, when I have called, he has

quietly kept his seat, as though I were some errand-boy or pop-corn seller, and said, 'I will see you about that matter to-morrow, — am engaged just now, — call again!' So I have just called for the last time, and am glad to meet you and ask if you know of a good, honest, gentlemanly lawyer, — one who is a true gentleman, and knows how to treat people, especially an old man like myself."

His friend said in reply: "I know several lawyers, but they have such a desire to be considered great men that they put on an immense amount of style, and assume at all times a swelling importance that does not belong to them. This is more particularly the case with the young, and with those who in truth have not much upon which to base their pretensions. My lawyer is a middle-aged man, an honest fellow, apparently, and rather smart; but of late he, too, has caught the great-man itch, and now treats me just about the way you complain of being treated; though my time is not so valuable as yours, and I don't mind it much." Some other talk followed, and then the parties separated, one to go where he had an important case, and was therefore in a measure compelled to submit to bad treatment; the other to find an attorney to whom he might transfer his business.

Both the lawyers in these cases failed to make money, not because they were not well read or that they were incapable, nor because they failed to do what they did do well; but they lost money, or rather

failed to make it, because of a little foolish mannerism. Neither really meant to be rude or boorish, disobliging or disagreeable. They might each have supposed he was too much engaged to attend to his clients, and that it was just as easy for them to come again. Both lost time, too, since neither of their clients, probably, would have detained them in business conference so long time as he took in excusing himself. The attorney of the dry-goods merchant lost money,—that is, failed to make anything more out of his client,—to the amount of at least \$750. He also lost the client of the other lawyer, for want of the favorable recommendation of the merchant, as that personage had decided to abandon him as soon as the case in hand was finished. And the business of the second party amounted in ten years to about \$1,000. Both lawyers did their general repute permanent injury, and several intending clients were prevented from giving them their business as soon as they heard opinions of them expressed and their peculiarities sarcastically reviewed. It would have been much cheaper in the end, and more gentlemanly, if they had dispatched the business of each of their clients on the spot and at once.

There are few instances in the profession of extreme cases like these; but whether few or many, they should be mentioned in a work of this kind, to indicate methods and manners by which money is not made, and also money is directly lost. There is a

definite equity in all the affairs of life. If you make an engagement with another to have a paper drawn up at an appointed time, and the party for whom it is promised does not find it ready when he appears, you do not feel like paying the man for his loss of time, although he is compelled to come again, and perhaps again and again, and very likely to lose double or as much time as you have consumed in drafting the document. And yet for all that time you expect to be paid, and well paid too.

This important and just principle applies to every department of life's work, and the thing mentioned is a trespass upon and wrong done to a patron's or customer's time, which in justice should receive equivalent compensation in money. Similarly a mechanic, agreeing to finish an article for you at a specified time, compels you to call again and again for it, at the needless and unwarrantable sacrifice of your time and convenience, and perhaps temper; but when you come to pay for the article he would be annoyed, may be enraged, that you should charge for your lost time. The reason of this is that custom most singularly allows these people to commit this outrage so persistently and long without holding them responsible in damages, that now they claim the wrong as their vested right. But they lose money by it, whether they know it or not. This, however, does not excuse the perpetrators of such carelessness and wrong.

The writer was some years ago about to be tempo-

rarily absent from his home in a famous Michigan town, and took some linen to a laundry, under strict injunctions and promises to have it ready at such an hour, as the owner must then go to his train. All possible time was allowed, and the articles not called for until his carriage stopped at the laundry on its way to the railway station. The washing was not done. "Give me the things just as they are," was the imperative demand. Some show of tumbling over goods was made, but of course they were not found. Upon our return a few days later, the laundried articles were received, and the price of service upon them stated. "Very well; I will allow so much by way of offset upon my bill of damages for time taken, annoyance suffered, and expense caused, by your breach of contract." The demand for balance of damages was not pressed, as it might justly have been; but absolute refusal of anything like payment for the work was maintained, in the fact of curses and threats of personal violence and lawsuit; and the negligent laundryman got his needed lesson for once. Go thou and do likewise, in every case, whether with laundryman or lawyer.

There are means of attracting business and of keeping it, which are peculiar to the legal profession. High charges and fee-bills, though they may bring prompt money to the pocket, are not in the end the most profitable. A client may think himself overtaxed.

and yet, from motives of delicacy or fear of being considered mean, say nothing about it. But the provoking fact still hangs on his feelings, rankles in his soul; and if he has occasion to employ a lawyer a second time, he hesitates, looks about; and in the employment of another, which pretty certainly results, he is apt to be guided much more by his feelings than by his judgment. A just and moderate charge is the best, for it brings you money and reputation the faster.

A good lawyer will never undervalue the statements and views of his client, especially if he be a man of some intelligence. The client, indeed, has but his own case to think of, while the lawyer has many cases; and the chances are altogether probable that the party chiefly interested will suggest some important, perhaps vital, points in the case. A wise attorney will hear all that an intelligent client or his friends or witnesses have to say; he will sift out the wheat and throw away the chaff. "Prove all things: hold fast to that which is good." To be popular with clients, ever on the best of terms with them, is money in your purse. You thereby cultivate a feeling of good fellowship and a general tone of good feeling, which makes you frank, candid, open, apparently honest in all your words and ways; and so ingratiates you constantly with judges, juries, and actual and possible clients.

It is but human nature, however, for the mind that seems to control and regulate its fellows to assume

superiority. The wholesale merchant is apt to feel some repugnance toward social equality with the retailer to whom he sells. The importer and manufacturer, in turn, may lord it over the wholesaler who gives him business. The banker looks askance at his customer, especially if his deposit is light or he has come to ask special and mayhap risky favors. The feeling is a natural one; but it may be overcome by attentive and persistent effort and by a truly generous culture. Certainly, it is not a money-making plan to exhibit it in any line of business, especially those mentioned. Nor is it policy, or a thing of advantage in any way, to include it in the relations of attorney and client. No lawyer can well estimate the value to him of an open, frank, honest, winning face, the exponent of ample and abiding sunshine in the heart. He has thus a leverage upon the better elements of his community, of which he little dreams. Business is more easily, smoothly, and rapidly transacted, friends, clients, acquaintances, are the more ready to oblige him, the court is more disposed to grant his motions and admit his objections, and weight is given to his opinion and unconscious sympathy to his agreeable talk. Juries are prepossessed in his favor; and his frank manner and kind words succeed, when even strong arguments from another would fail.

Now and then, in a wide observation of legal practice, we see the gray heads, wrinkled brows, sharp, haggard faces of veteran lawyers, the controlling

traits of whose character are manifestly cunning and craft. No pleasant or generous emotions appear to abide in their soul. They have a face as iron-like as their hearts, a fixed look, with eyes to bore you through like gimlets. When such advocates come before a court or jury, their very looks put the parties addressed on their guard, lest the peculiar ability of the man should turn black to white, wrong to right, disprove their very existence, or transform them into idiots. Such a character, even when counterbalanced to some extent by great legal learning and acumen, fails in the great ends of the profession before the good-natured, well-balanced, honest man of average attainments. How much better than he the attorney formed upon the model furnished many years ago by a distinguished light of the English bar, in the following lines :

“ Ordained to tread the thorny ground,
Where few I fear are faithful found,
Mine be the conscience void of blame,
The upright heart, the spotless name,
The tribute of the widow's prayer,
The righted orphan's grateful tear.
To Virtue and her friends a friend,
Still may my voice the weak defend,
Ne'er may my prostituted tongue
Protect th' oppressor in his wrong,
Nor wrest the spirit of the laws
To sanctify a villain's cause.
Let others with unsparing hand
Scatter their poison through the land,
Inflame dissension, kindle strife,
And strew with ills the path of life.
On such her gifts let Fortune shower,
Add wealth to wealth, and power to power ;
On me may favoring Heaven bestow
That peace which good men only know,

The joy of joys by few possessed,
Th' eternal sunshine of the breast.
Power, fame, and riches I resign,
The praise of honesty be mine;
That friends may weep, the worthy sigh,
And poor men bless me when I die."

Pleasant manners, a neat office, close attention, good legal acquirements, perseverance, and small expenses, will insure to any member of the bar the means of making money. The amount he makes will depend mainly upon the care and attention he gives to his business.





CHAPTER XXI.

THE PHYSICIAN.

This is the way physicians mend or end us,
Secundem artem ;— but although we sneer
In health, when sick we call them to attend us,
Without the least propensity to jeer.

LORD BYRON.

We belong to a profession in which there have been in every age men whom we may be proud to call our fathers. But a man whose father was ennobled on account of his high character and great services to the cause of humanity, does not necessarily derive advantage from the title which descends to him. He does so only when he imitates the virtues of his parent, and labors for the common good. A desire for profit and reputation might be enough to prompt him to do all this ; it would also be good policy. But he will not do it with a full certainty of success if he be not influenced by still higher motives, by a true love of science and humanity.

JAMES JACKSON, M. D., LL. D.



HERE is another branch of the higher or intellectual labor. In this, as in all other branches, there are degrees of usefulness and of necessity, of skill and education ; while the profession is still eminently intellectual, useful, and necessary, in at least its loftier development, to the comfort and best activities of man. At the same time it supplies the means of making an independence, or of raising a competence to a fortune. The general business of the art of healing is subdi-

vided into several branches—some more, some less intellectual; some more, some less mechanical; though all profess the application in practice of the controlling principle which binds them to this division of labor.

The object of this chapter is not to show what constitutes a good, or what a bad, or what an indifferent practitioner, what is skill or what are clumsiness and malpractice, in the profession. Each is taken as he is; and our aim is to show how he can make the most money with such knowledge and skill as he possesses, presupposing that the more knowledge and the more skill he exhibits, the wider will be the range of his service and the greater his pecuniary returns therefrom.

It is a general remark that professional workers pay little attention to their monetary affairs, and that they are commonly poor for the reason that they consider money of little account. There are, indeed, some such melancholy examples of humankind. They have few real wants; those are simple, and are easily satisfied. So long as they have some sort of clothing to wear, any food to eat that will satisfy hunger, and plenty of books to read, their money wants remain just the equivalent of their expenditures. They will not check, thwart, perhaps destroy their natural tastes by the engrossing cares of wealth—sometimes not even by the keeping of the simplest books of account. They see no genuine satis-

faction in a heap of glittering gold, which requires sleepless nights and vigilant days to guard or to manage in its investments, while it will give to them, they hold, nothing more than they already possess. To them the pleasure of acquiring knowledge is far greater than to the miser is the pleasure of acquiring gold. The miser in his turn takes no heed of the employments of the professional man; they would be irksome to him, while to the professional the occupations and joys of the miser would be but weariness and disgust.

Notwithstanding these contrasted views, however, every practitioner in a profession has his own moral, social, and political duties to perform; and he should be faithful to them. He has a right to strive for his personal independence and for the independence of all dependent upon him, as his first great duty; and afterwards to indulge his tastes and inclinations. Several ways exist in which these ends can be reached, some of which will be detailed hereafter. But the public can make no rightful demand that he shall labor beyond this point, while it has a solid claim that he shall be steady to his trust until that end is attained.

The leading elements of success in the profession of the physician are knowledge and skill; after these is kind, pleasant, winning, gentle demeanor. No one can fully estimate the value of such manners, in the substantial fees they will return to the possessor, especially to the doctor, since he has to deal with

human nature in its most nervous, sensitive, and excitable states. The very presence of an angel of mercy, a true healer, at such a time, seems to quiet the sufferer, soothe his pains, and allay his disease, almost without medicine. On some afflicted beings the influence of a magnetic nature is truly marvelous; and if it has no greater result on others not so susceptible, it nevertheless renders his presence in the sick-chamber a ray, or rather flood, of sunshine that stimulates, encourages, and vivifies the enfeebled system. On the contrary the reverse qualities chafe, excite, irritate, prompt a repulsion and ill reputation which operate most unfavorably upon his prospects of employment and success. Many cases are on record or held in memory where the more pleasing qualities, combined with mere average skill, brought more business and money than the highest technical qualifications, unsupported by attractive personal traits. Our proposition, however, is almost an axiom, and needs no further illustration, much less argument or appeal. Civil treatment of everybody is an indispensable requisite to the physician who would procure the most in return for the exercise of his abilities and skill. He may carry uncivil conduct to such an extreme as to neutralize almost entirely his talents and reputation, and he be able to get patients only in extreme cases, or when no other practitioner happens to be at hand. No reasoning need be undertaken to show that he loses money, and that seriously, by such a course, as he

would make money rapidly by pursuing the opposite one.

In brief, any element of successful intercourse with men and things that has been recommended in this book for any class of toilers applies with equal propriety, and with more or less directness, to the physician. Let us relate a prominent instance of uncivil treatment by a physician, with its sequel in financial results.

A certain doctor, who had become quite eminent, was residing in the interior of the State of New York, and had his office and bed-room in the same building, immediately connected on the same floor. A front room was used as his office and place of consultation, the rear one for his sleeping apartment. He was a vain, pompous, conceited man, wore a voluminous white vest and white cravat, always went out with gloves and cane, and dressed and bore himself otherwise in keeping with his character. To this place also came a raw lad of twelve, brought up on a farm, but who had come to town with his father and mother, on a visit to an older brother residing there. The father shortly fell sick; and as the practitioner indicated was the family physician of the son, the younger brother was naturally sent for him, as there happened just then to be at hand no other and better-acquainted messenger. So the boy was dispatched, with full directions where the doctor was to be found, and explanations of his office and surroundings.

Now, from the lad's knowledge of such errands in the country neighborhood whence he came, to "go for the doctor" was simply to go to an apothecary's shop or drug-store, and not to the private apartments of a learned and aristocratic physician, arrayed in the full glory of white cravat and vest, with suitable appurtenances and accompaniments. He was an energetic lad, and soon found the place. He stood upon no ceremony while his father was suffering and in need of this man's services; and therefore bolted directly into the august presence of the doctor, without knocking or other signal of entrance. The dispenser of pills and powders looked up at him amazed; but the juvenile, nothing daunted, was about to ask if this was the man for whom he had been sent, when the doctor rose in his most dignified way, and imperiously demanded of the boy:

"How dare you, sir, enter my office without knocking?"

"Is n't this the doctor's shop?" was the reply.

"Who are you?" sharply asked the disciple of *Æsculapius*, in return.

"Well, no matter. My brother lives over here [naming the street]; and my father is sick, and wants you."

An explanation was now in order; and the doctor, having at last found out who the boy was and what he was there for, read him a cutting lecture on the man-

ners to be observed in intercourse with gentlemen of his profession, to which the youth simply said :

“ They don’t knock at doctor’s shops where I come from.”

He was a rough country lad ; but he knew that he had intended no rudeness or harm, and long afterwards remembered as the chief element in the incident what he considered the singular eccentricity of a crabbed and cranky old doctor. He settled in the same place as years rolled on, and grew with its growth, becoming a man of large influence and wealth. But he never, in youth or manhood, forgot the indignities which this doctor had put upon him ; nor did the doctor ever get a penny in professional fees from him or from any one that he could influence, since by a little wholly unnecessary incivility the professional had made him an enemy for life.

Thus it is plain that the physician in this case lost vastly more in the end than he gained by the comparatively petty fee that he made by his visit to the sick father. Just such trifles, passed generally without further thought, lose one more money than is lost by injudicious credits or bad debts. The professional man in mature or advanced life, who sometimes feels, and feels badly, the lack of money in his purse, may look back upon the time when he could have made handsomely for his future, instead of losing in large amount, through the medium of his manners.

It is a belief generally received, that a physician will realize greater pecuniary returns in his profession married, than if single. The writer himself holds to that opinion. But a serious question nevertheless arises, and must be met: "I have but one to support now; I shall have two then." Yet, if you make more money, it is obvious that you can easily meet the additional expense involved. And all experience shows that somehow the married couple get on better than the bachelor alone; for in ways almost inscrutable the means come in, though they seem doubtful enough when one looks forward to their hoped-for possession. Of course much depends upon the choice of a wife; but if she have the right views, intentions, and ambitions, there will be no trouble — the living, probably a good one, with savings, will follow industry, skill, and perseverance. The only trouble is likely to be in the style of living and the scale of expenditure adopted.

There is, too, another independence to be provided for, in the case of accident. A small amount every year, which can pretty certainly be economized, will secure a good-sized life assurance, to fall in at the end of, say, ten years, by which you can make money and have it at that time if you live, or have it paid over to your family if you die. This will receive full discussion in a future chapter.

These two examples of intellectual labor, the lawyer and the physician, are all that space will allow us

to treat by themselves. Whatever was said under the former head has applications more or less closely related to the latter ; and so it would be useless to repeat them. Nor would it be specially instructive to give in detail more examples of professional labor, receiving its reward in specific fees for specific services. In such charges the same general principle rules as in merchandising. Excessive profits drive away customers, whether they be called customers, or clients, or patients. To charge reasonably and justly is the great element in making money by professional opportunities. This grand cardinal principle should not be lost sight of by any who seek large success, not merely in this department of the world's service, but in every other.





CHAPTER XXII.

OTHER PROFESSIONS.

The notion that the "three black Graces," Law, Physic, and Divinity, must be worshiped by the candidate for respectability and honor, has done incalculable damage to society. It has spoiled many a good carpenter, done injustice to the sledge and the anvil, cheated the goose and the shears out of their rights, and committed fraud on the corn and potato-field. Thousands have died of broken hearts in these professions, thousands who might have been happy at the plow or opulent behind the counter; thousands, dispirited and hopeless, look upon the healthful and independent calling of the farmer with envy and chagrin; and thousands more, by a worse fate still, are reduced to necessities which degrade them in their own estimation, rendering the most brilliant success but a wretched compensation for the humiliation with which it is accompanied, and compelling them to grind out of the miseries of their fellow-men the livelihood which is denied to their legitimate vocation. The result of all this is that the world is full of men who, disgusted with their vocations, getting their living by their weakness instead of their strength, are doomed to hopeless inferiority.

PROFESSOR MATHEWS.

The professions, any of them, are not to be sought for by the young man entering life without a determination to exercise the most indomitable industry, as well as the most exalted principles and the most disinterested motives. With these, and a good measure of ability, you can advance; without all these, it is an impossibility.

JAMES D. MILLA.

Literature is a good staff, but a sorry crutch.

LORD BACON.



PROFESSIONAL persons, especially the salaried, form a large class of the most intelligent, learned, and useful people in our communities. Yet, for what they con-

tribute to the public good in so many and diverse ways, they are on the whole the least rewarded in mere pecuniary returns. This, however, is not all for which they strive, nor indeed the main thing with large and influential classes of them. It is generally but the means of securing and continuing a livelihood for ulterior, and higher and nobler, objects—the welfare of their fellow-beings. Commonly, indeed, they are quite too indifferent about money and what it will bring, further than as it helps them to reach their special aims and ends. From the enumeration of cases in which devotion to learning absorbs all thought, to the extinction of mere material matters, criticism will hold good in feeling and expressing a regret for idiosyncrasies carried so far. Whatever the careless professional may think of or for himself, he has none the less a high duty to perform as a citizen, which nothing should be permitted to crowd from its legitimate place. Health and mental soundness, intellectual and moral vigor, may not always remain for the production of what life and domestic necessities demand. Keeping this fact in mind, no man can assure himself of the future by simply providing for the needs of the hour, and letting the day of adversity or the uncertainties of the future be sufficient unto themselves. And though life and health may be spared, yet opportunities and employment are not always to be found open to those who desire and seek them, however ardently.

There seems to be no class whose duty is evidently more imperative than this, to struggle for an independence for themselves and all dependent upon them; for there is in general no other class so helpless away from their special sphere of action. By necessity they know comparatively little concerning the more active affairs of life, from the fact that the whole course of their own work is in seclusion from the world, except as their specialties of labor bring them into contact with some small portion of it. But if accident, loss of health or of employment come, they are at once "at sea;" they are seldom competent to turn their hands to collateral employments, as others can usually do who have been trained to other lines of business. Therefore this duty of providing an independence, as early in life as possible, certainly extends further with this class than mere moral and political duties.

We suppose, then, the direct question to be put by the professional salaried man, "How can I make money?" The reason why this query is so often made is that the best salary such receive, much more the average pay, seems but a bagatelle, the merest trifle, when compared with the much-vaunted incomes of the millionaires, the railway kings, the larger merchants and manufacturers, or even the high-grade mechanic. The only method by which one class can measure itself with another on the scale of financial

success, is by the comparison of results. It is easy to talk, to plan big things, to boast, and believe all the time just what you are saying ; but in money matters none of this, by itself, makes dollars, much less fortunes. The only safe criterion of the positive or relative profitableness of a vocation or profession is results ; and to these the professional must look to see whether he too has a chance in the great scale of such equalities—whether the monetary products of his calling fall below or rise above the general average of others.

Upon one point there can be no dispute : that the salaried person, if he obtain fair remuneration, can accomplish more in the final accumulation of money than the average of merchants actually do. To satisfy himself under that head, he has only to inspect the statistics of mercantile life given in a previous chapter, when he will see at once that at least results of this kind can be avoided. Nor is it to be presumed that any other of the main branches of trade, making, or undertaking to make, money through the extensive grant of credit, have risen much higher in the scale of ultimate pecuniary success than the mercantile business. But in the class of business now under consideration, there need be no credits given to obtain what is received ; and thus it more nearly approaches the certainty of success assured to the retail merchant.

In this class, as in all other departments of labor, the services of the laborers are valuable, and command

price, just in proportion to the amount of knowledge and skill possessed and reputation gained, provided only that no offsetting qualities detract from the opportunities of the toiler for obtaining it. In order to obtain it, however, even under such circumstances, it is necessary, as a general rule, to have the personal aid of some social and professional standing, influence, and that of friends, in securing and retaining positions. As a general thing, too, this depends more upon the professional himself than upon others. Permanence of intention, as against a roving, changeful disposition, together with industry, fidelity, and close attention to business, will insure the largest sum in income and the most satisfactory results in the end.

Professional men, rather more than others, are confined and limited as to their expenditures, especially if they decide upon a course of retrenchment for the creation of a sinking fund. Their positions and business require a certain style of living, of dress, etc., which is consistent with the repute and respectability of their calling; and cases are by no means unfrequent in which this absorbs nearly or quite their entire income. Yet there are certain principles regulating salaries, as they do the price of manual labor or any other kind of business. The price may be too low in some particular instance; and in that case it must be raised, so that an average to correspond with others may be obtained. No one wishes to work for just enough to minister to his absolute necessities; there

must be a margin for profit in any line of business, or the business will presently run out. No one will be found to take less, except temporarily, and for purposes of bare subsistence till he can do better.

The professions in general, then, are of sufficient importance, and their results are valuable enough, to pay not only for the necessities of life to those who conduct them, but also a profit besides; and in this fact remains the security that such services will first or last be properly rewarded. No general rule can be laid down for what this profit should be, or what it is. One thing, however, is pretty certainly known; and that is that there is scarcely ever a salary paid for really valuable services, that will not support the laborer and leave a good balance of profit. So far as this matter goes, however, the object now in hand is to show how the most money can be had for specified services—in other words, how to get the most above necessities, and then what to do with the savings.

As was said on another page, the greatest knowledge and skill entitle the salaried man, in theory, to the greatest amount of money in payment for his services. But such a thing may easily be conceived as the undeserving receiving more than the deserving;—in fact, just that thing often happens. These are exceptions, nevertheless; and in the end they will regulate themselves. The rule of right and common sense holds good in the long-run, if the professional in the case has no unfavorable personal quality to prevent his true

merits from becoming known. Many of the general principles here hold good that were laid down for the clerk; and they need not be repeated. It may therefore be assumed that the professional salaried man is in full receipt of his due and rightful income: what can be said, then, to aid him in money-making? This:—

You can make a profit by not spending all you receive. In other terms, make up your mind, on a careful consideration of the matters involved, how much (rather how little) you can live on; and then heroically stick to your decision—at least until starved out of it. Don't be too grasping, and put your profits too high; for if you do you will share the fate of the unfortunate merchant, which we fully discussed in a preceding chapter—you will fail in your undertaking. From our knowledge of salaries, a safe practice would be the saving, or not expending, of twenty-five per cent of your receipts; but if this be too high, say twenty, fifteen, or ten per cent. Probably you would make the most, and be most likely to execute the plans you do lay, by calling it ten per cent, and putting aside the fifteen more, if you can save that also, as a reserve to help out of accident, to "provide against a rainy day." Thus, if your salary should reach the fortunate figure of \$4,000, you may well say to yourself, "My style of life and expenses shall not exceed \$3,000. One-tenth, \$400, is not mine; for I have constituted myself a trustee for my family, and this is to be in-

vested, in any event, for their benefit. This I have no right to touch, to risk, to spend. But I have \$600, fifteen per cent, that I can improve at interest, if nothing happens, in the same way, though some unforeseen accident may occur that will push my expenses beyond \$3,000. I will therefore hold this in reserve against such contingency."

Now, this is a safe platform for the salaried professional; and nothing but extraordinary ill-fortune can bring him to failure in his undertaking. With the \$400 in hand you can take a pretty large ten-year endowment policy, which will insure your life in the meantime. This will be explained in our future chapter on Life Insurance. The \$600 reserve should be deposited in a savings-bank at interest, but still under control for use at any moment. Buy nothing beyond what you have cash in hand for, and all will go well, with prosperity your lot, and countless comforts never to be anticipated from a helter-skelter way of doing things, in which you never know how or where you stand.

If you have the independence and courage to live up to all this, spending but \$3,000 upon an income of \$4,000, or the like ratio upon any other income which affords you a surplus, you will be doing a much better business in money-making than the average of wholesale mercantile houses, and without question a first-class business. Look at the calculated results, and you will see this plainly. Your endowment policy, besides

keeping up an insurance on your life in the meantime, accumulates at six per cent, and your \$600 at the same rate — that is, \$1,000 a year at six per cent, which in ten years will give you a sum of \$13,256.42, in twenty \$37,643, in thirty \$80,403, and in forty \$160,436. This result can be reached on the compound interest plan, besides maintaining your life insurance for the whole time, and assuring the amount of the policy to your family in case of your death. As you progress in the knowledge and skill of your profession you will also, in all probability, be enabled to procure successive increases of salary, which can be used to better your style of living or add to your aggregate savings.

This formula and outline of calculation will answer for any amount of salary whatever. True, the life-policy will not be the same: it may be greater or smaller, according to your receipts and the amount you can spare for it. By the adoption of such a plan for life you are not forever trying, and always failing, to lessen your expenditures; for such efforts make you unsettled, restless, and unhappy, without attaining the object of your efforts. But when you have a fixed, definite sum to spend, there is an end of the whole matter, except of course in cases of sickness and other unavoidable calamity; and you speedily become satisfied and content with what you do spend and with the result of your expenditures and your gains. Make want and supply precisely correspond, and life

becomes a fixity. You will accomplish no more if you spend all you get in pandering to artificial wants, for these are purely relative things ; and by supplying all you will be no better satisfied at last, nor accomplish any more, than by satisfying three-quarters of them, and sternly denying the other quarter. If you had no fixed principles or rule of expenditure, the probabilities are that you would spend all your income, and after all satisfy but one want in a hundred.

But the salaried man may say to himself : " This is all very beautiful in theory ; it is highly commendable ; I can see very plainly that it is my duty to provide against accident or a ' rainy day ' ; but I am trying my best now, and yet can hardly make both ends meet : how can I in my circumstances make this rule work ? " The answer is ready to hand. You receive a certain sum in salary, which, by usage and from the demand of your specialty of labor, is ample to pay your expenses in maintaining a style of living commensurate with your position, and leave besides twenty-five per cent clear profit. Now, if you spend this balance, you are acting after the pattern of the unsuccessful merchant. Your condition will be very much like his when your employment stops, and you and your family, if you do not get something more to do, will be thrown upon public or private charity. This is the plain, simple, prospective fact, plainly told. Then, as an intelligent, prudent man, pray do what you can to avert this end, what your experience, or at

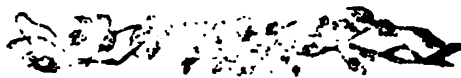
least foresight, teaches you should do. Stop living from hand to mouth. Be independent of all kinds of charity, and stand like a man before the world. Take your choice : the responsibility rests with you.

No further trades or professions can be considered in this volume, whose narrowing space forbids their detailed discussion. They have not, however, been neglected, much less forgotten ; and so far as possible principles have been adduced and illustrations given which are of general application. The lines of business treated may be regarded as types, selected on account of their importance and the large numbers of workers they include ; while the manner of treatment may be considered as similarly applicable to other vocations.

Nor must any one suppose that what is said under each head comprises all the principles applicable to it. Not every rule governing these important subjects is set forth and exemplified ; but enough has been given to state and illustrate all the most important. Whether the positions advanced will prove advantageous or not, rests entirely with the reader. We have done our duty in each case, and must let consequences take care of themselves. The main proposition we urge is the high moral and political duty every man is under to secure for himself, for his family, for all who are dependent upon him, A MONETARY INDEPENDENCE OF CHARITY.



Peter Cooper



CHAPTER XXIII.

INVESTMENT.

This is a matter for the careful consideration of business men, and suits the business man, whose capital will add to his wealth, and who, in the course of his career, will be ruined without due regard to the proper investment of his money. They are not to be lost in themselves, but are to be used in the service of the business from which they are derived. The business man must be careful that they shall be fully and properly accounted for, and that they shall be invested in a good mercantile security.

JAMES D. MITCHELL.



THE reader must now understand a fact not generally supposed by the business man, that he here enters upon a distinct branch of money-making. In many of the preceding chapters labor and capital have necessarily been combined for the making of money; yet money-making with money is a trade of its own, pure and simple; and the failure of many to learn this fact has led to great losses, and in some cases to ruin. The man who has made his dollar, and wishes to make it work in the earning of two has reached a point where, in order to do it to advantage, he must have the requisite knowledge and apply it, or his dollar will presently take its departure for the pocket of



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CHAPTER XXIII.

INVESTMENTS.

This is a matter for the careful consideration of the man of business, as a safe and suitable investment of such funds [surplus capital] will add to his wealth in a continuous stream; while if they be placed without due precaution, they may not only prove a loss in themselves, but an injurious drag on the business from which they are derived. The chief points to be considered are that they shall be fully and readily available for use whenever your business may require them, and that they shall be invested in a good mercantile security.

JAMES D. MILLS.



THE reader must now understand a fact not generally supposed by the business man, that he here enters upon a distinct branch of money-making. In many of the preceding chapters labor and capital have necessarily been combined for the making of money; yet money-making with money is a trade of its own, pure and simple; and the failure of many to learn this fact has led to great losses, and in some cases to ruin. The man who has made his dollar, and wishes to make it work in the earning of two, has reached a point where, in order to do it to advantage, he must have the requisite knowledge and apply it, or his dollar will presently take its departure for the pocket of

some one who better understands his business, and is shrewder and more far-sighted than he is.

No man can rest safe in his possession of money for investment, who does not come fully to appreciate this idea. Much toil, physical and mental energy, economy, and self-denial, are frequently lost through this ignorance. Wealth and comfort flee away; poverty and distress come instead; and the victims wonder ceaselessly why their lot in the world should be so hard. But if they will reflect for a moment that everybody else is struggling to get even what the hapless ones have kept, and that every device and scheme which cunning and ingenuity can invent is brought to bear to seize it, does it seem strange that one or a few can not resist all? No other trade is so intricate or difficult as the safe investment of money; but, like the mechanic arts, when once learned, how easy and how simple it is!

No person, then, having savings or other money to invest, should undertake the business without knowing the exact value of the thing he proposes to take in exchange for his money. The most simple and ready to hand is commonly the savings institution, where the depositor has only to ascertain the general standing of the bank, and if satisfactory make his deposit. His money will thenceforth draw interest, if left for a period of less than twelve months, at four per cent; if for a greater term, at five per cent per annum. Another mode, equally simple, is to take a ten-year

endowment policy in the best mutual cash company, which will entitle you to a share in the company's profits, and thus aid you in the payment of premiums. You will get your six per cent a year, more or less, and keep your life insured at the same time. This is preferable to the savings-bank, as making more for the money invested, if you only have the capital to go into it, and are sure of making your payments year by year. See further in our chapter on Life Insurance.

These two modes provide for investment of the smaller amounts of money. For those who can command larger sums, the bond and mortgage at seven per cent, or whatever a loan will command at the time, is the very best means of investment, if one is not skilled in financiering; and it is believed to be the swiftest means of realizing profits yet put upon any money-making course. In some States the legal rate of interest is higher, but in some even lower, than seven per cent. In any case the legal rate, on bond and mortgage, is the surest way of accumulation. The reason for this will be apparent on a little reflection, when it will be seen that the result is secured by a principle all-important in money-making.

When the amount loaned is suitably apportioned to the value of the property by which it is secured, the security is perfect. This depends much upon the intelligence and honesty of the attorney engaged to supply the deficiency of knowledge generally existing

in the lender, and to examine the security in every point and particular, to see that there is no flaw in its title or otherwise. Just here let every one who has money to invest pause for a moment and take a lesson never to be forgotten. If he as a lender intends to invest in any other security, let him take special pains to get an opinion of its value by one skilled in that sort of knowledge. But if you are not a lawyer, you can still often determine with reasonable certainty the value of your security, and undertake to loan your money on bond and mortgage upon it, taking the borrower's note as collateral security.

Next, as a simple and safe investment, are dividend-paying bank stocks. Here again careful investigation is required, though many buy such stocks without a single step in the direction of ascertaining their value or making a solitary inquiry of any one acquainted with the facts. Now, the books of a bank are always open for inspection to those concerned; and he who has in his head a proper notion of the value of money, will inspect them for himself, or engage some trustworthy person to do so, looking into the whole state of its affairs, before putting his money into the stock of the institution. Especially should the character and reputation of its officers be inquired into, and their style of managing the business be scrutinized closely. It is not to be presumed that because they occupy an imposing banking-house and have a large number of employees, this is a sufficient basis

of security, and will inevitably give dividends for your money. Investigate faithfully, and take advice carefully.

A prime principle of safety in this part of the business is this: Never invest in any stock till it has paid a dividend. You might just as well entrust your money to the hands of a man calling himself a merchant, and setting up his sign as a trader, who nevertheless has never made a dollar. By the merest chance he may stumble into success, and similarly may the stock happen upon a dividend; but the only sure and safe way is to let others take the risk if they will—men that can better afford to lose. Those who have but limited means have no right to take chances that are so much against them. Their little is their all, and certainly positive security should stamp the investment of every dollar they have.

On the other hand, no person who invests thus, not even the wealthy and perhaps careless capitalist, expects to lose. Regular subscriptions to bank stocks, as a method of investment when the character of the officers managing them is well known, may not be regarded as unsafe; and there is also an advantage in being among the earliest subscribers to such stocks, since the subscriptions are at par, and when the list is once filled up the stock can hardly ever be bought, except at a premium. Such examples of investment, indeed, are proper subjects for the advice of skilled financiers.

United States bonds, and any security for which the faith of the General Government is pledged, are universally regarded by financiers as safe and sufficient investments, needing no inquiry, although the rate of interest is generally low by comparison with other securities, which may prove equally good. They are more in demand, however, by large than by small capitalists. Mr. W. H. Vanderbilt, for instance, is understood to hold a block of several hundred thousand dollars, if not of millions, in the Federal bonds. Being regarded as the safest of all our securities, they take rank as the best in the land ; and even those with the lowest rate of interest commonly command a premium. State bonds are also much in demand ; but they are subject to the dangerous manipulation of politicians, parties organized for repudiation or "scaling down," and legislatures, and so are seldom at par, some of them, as of certain Southern States, being almost worthless in the market. County, city, township, and other municipal bonds are often of high value, and sell at par or a premium. The bonds of the city of Detroit, for example, where these lines are written, command so much premium that they are virtually out of the market, and the city itself can hardly ever buy them in before maturity, as it is anxious to do for the extinguishment of its small remaining debt.

Dividend-paying railway stocks and bonds are accounted excellent securities, and form a large and im-

portant class for profitable investment. Their prospective value is apt to be good, also, from the fact that the kind of business they represent is continually on the increase, while the ratio of expenses to income is being as constantly reduced by greater experience in railway construction and in operating the roads. By necessity, too, such properties must include large values in real estate, which generally increases in value year by year. Such stocks and bonds, purchased with care and judgment, after due inquiry, can hardly fail to produce a satisfactory income, while the basis of their price is probably growing more and more valuable. Investments may also often be made to great advantage in the stocks of street railway companies; though these require special investigation and care.

Manufacturing stocks have laid the foundation of large fortunes, and have as well been the source of heavy losses. Certain of them pay not well simply, but enormously: these are practically out of the market. Naturally, a business with such large profits soon engenders harmful competition, unless it has in some way secured a monopoly, or can keep its profits secret; and so in the long-run it is somewhat doubtful whether the stocks of such companies are more profitable than bond and mortgage or bank stocks, paying less dividends, but more sure and steady from year to year, and giving better assurance of the indefinite future. They are no exception to the general rule of business: The more profit, the greater risk of loss.

But they are favorite investments in some sections of the country, where the inducement of heavy gains gives them much activity in the market, to the more speculative sort of speculators, when they are at all accessible as investments. Yet there are stocks, representing the manufacture of staple and standard articles, which under careful and economical management always pay remunerative dividends, and at the same time impart a definite amount of safety and security to those investing.

Fire insurance stocks have long been favorites for investment. When these do pay, they pay largely; but as a class of investments they have had for the most part a speculative character, and in many cases total loss has resulted. There have even been cases where the stockholder has not only lost the whole of his investment, but has also been assessed additional sums to meet the debts left by a defunct concern. Occasionally there occur times when goods are falling and trade dull, in which it is well for those holding such securities to sell them and re-invest, if they wish, when goods are again on the rise and trade once more brisk. The stocks of marine and inland insurance companies are usually safe and well-paying; but there are years and terms of years in which heavy losses occur. They are not so risky as the fire stocks; but on the other hand they do not pay as high dividends as the better of those, nor do they incur so much dan-

ger of total destruction by some sweeping calamity, as the great Chicago and Boston fires.

Mining stocks have long formed a very large class of securities, especially of late years; and immense fortunes have been made, as well as much money lost, through them. It is doubtful whether, equalizing gains and losses throughout, they have ever paid a profit. The few have struck "bonanzas," and become enormously rich; but the many have lost every cent they invested, and sometimes have had to pay assessments besides. Coal has furnished one of the most successful kinds of mining, as its consumption is among the necessities of life in many parts of the country; and hence in most cases these have been paying investments, when judiciously made, and the enterprises have been prosecuted with honesty, economy, and intelligent industry. It is a safe rule in this class of stocks never to invest in them until the shares in view have realized a dividend. Punctual obedience to this rule would have saved many a man his fortune, and untold labor in the turning-up of the ground in the vain search for hid treasures.

Petroleum stocks need no special praise or censure in this book. They usually take care of themselves in the market; but, like all others, they need much care and circumspection on the part of him who proposes to invest in them.

Of late years, electric-light, telegraph, and telephone stocks have been highly productive; and it is usually

safe to put your money in them, if you can find them in the market or have the opportunity of subscription to an original capital stock upon the organization of a company. Gas stocks have generally proved very remunerative, and doubtless will be until the system of lighting towns and cities has materially changed. As now managed, they are thorough-going monopolies, as to both quality and price of the illuminator furnished. The companies make about such quality of gas as they care to pay for, and sell it for pretty nearly what they wish to charge. If a rival in some way manages to get in the field, it is found cheaper after a while to combine than to compete, and they either divide the territory or consolidate their forces and plunder the people worse than ever. Is it any wonder that they should make heavy profits and declare large dividends?

Life insurance stocks, based on the cash principle, are considered among the best of insurance investments, although their profits have been somewhat impaired by the formation of mutual cash-paying premium companies, to which preference is generally given on account of their division of profits with the policyholders, to help them pay their annual premiums. Some advantages of this class of stocks are thus set forth by the Rev. Stephen H. Tyng, Jr., in an article in Harper's Magazine for April, 1881:

"The percentage of expense in relation to income in fire and marine insurance is nearly *three times* that

of the Life companies of this State [New York]. Included in these amounts are the taxes throughout all the various States. These are growing larger year by year. It is to the interest of the assured to use such influence as they may be able to command, in the denial of this right of taxation. Life Insurance companies should stand with savings-banks in a common security and protection from such demands. This is, I believe, the only civilized country where such savings are subject to governmental impost.

"To the above statement I add that 188 insurance companies, other than life, in the State of New York, received during 1879,—

" For premiums.....	\$60,670,736
" For interest, etc.....	7,919,924
" Making the gross income.....	<u>\$68,590,660</u>

"Their expenses of management in the same year were \$20,462,473. The ratio of expense to gross income was therefore 29.83 per cent. Whilst this is the average presented, it is true that in many cases the expenses of fire companies range between 50 and 60 per cent. Let the critics contrast these numerals with 14.3 per cent, being the average per cent of expenses to income of all Life Insurance companies."

Many other stocks, too numerous for particular mention, are good investments; but those we have named are the principal. Any stock whatever should

be thoroughly investigated before it is taken for permanent investments; and the principle heretofore laid down is really the only safe one in stock investment, that they should first show a dividend. There are so many combinations and varieties of money-making and money-losing, that no better or more definite rule can be given to guide the investor.

But stocks and bonds form only a small part of the feasible investments for causing money to make money. Notes of hand are bought for a profit, and are also held as collateral security for loans. This kind of business should not be done by any who are not thoroughly acquainted with it; otherwise there is an almost absolute certainty of loss. In like manner loans are often made on stocks and bonds; but when the value of these is known, the risk is not so great, and can be undertaken with comparative safety by persons unskilled in judging of credits.

Investments are also made in all kinds of movable goods, with a view to sale or use at a profit. They can hardly be considered investments in the strict sense of the term; but as money is sacrificed for them, it is necessary to ascertain the chances of loss or gain by the purchase. In this the greatest care must be taken that value paid shall not be above regular market value, and that it comes as much below that as the circumstances of the case will allow. In that event no loss is likely to accrue, but rather a gain by the re-sale of the wares. To conduct this requires knowledge and

skill of a peculiar kind, only to be obtained by observation and experience.

Some of the largest fortunes made in this country have been accumulated by fortunate purchases of real estate. Such investments must be made with sound judgment and due forecast of the future, or loss may result in some few instances ; but as a general rule all are more or less successful. The richest men in New York have made much of their huge fortunes in real estate, though some have combined with it merchandising, manufacturing, or stock operations. In similar fashion every part of the country has had its results, though smaller, in this way ; but the large cities have furnished the most conspicuous examples.

An investment in real estate is reasonably certain if the property be located upon any of the leading streets—first, for an income equal to, if not greater than can be had by any other security of equal amount ; and second, by a continuous percentage added thereto yearly for increase in value. How long or how far this may continue no one can tell ; but it has continued, and promises still to continue. Cases occur where, within twenty years or less, real property is sold for \$1,000 to one dollar of the original investment. Many think such opportunities unlikely to occur again ; but this is a mistake. Similar chances still come, in favored localities, to those who seek this class of investment. There is to-day an abundance of vacant lots, and even improved property,

that will largely increase in value above regular interest, though it may not reach the ratio of one thousand to one in quite the time named. In proper localities, vacant lots or wild lands will return a very large interest over seven per cent. This is, too, the cleanest and snuggest investment, requiring no attention except to keep up the taxes, and giving in the fullness of time a certain return. Improved and productive property of course pays a regular interest, and in the right lines will sometimes pay largely by simple increase in value. Vacant lots can almost always bear some light improvement that will partly pay interest on first cost, if not the whole, so leaving the yearly increase in value a clear and perhaps splendid dividend on the investment. There is then no anxiety about dishonest cashiers or the vicissitudes and fluctuations incident to almost every other kind of property. True, the tenant may fail to pay a month's or a quarter's rent; but there is your capital still intact.

Real estate investments resemble more closely the accumulations of the savings institutions, since your interest is compounded from time to time by the regular march of increase in value, while if the increase is in turn applied to the purchase of other real estate, its further increase is rapid and immense. There is no other investment that is not in danger, though perhaps remotely, of total loss of interest and principal. It is therefore considered as among the very best and safest of all means of improving money. But to

those who are so situated that they can not give attention to such business, the bond and mortgage at seven per cent or more stands next. To invest to advantage, however, the opinions of men skilled in values of real estate and acquainted with the best locations should invariably be obtained. But when once the investment is made, do not sell unless business or the drift of reputable residence should show signs of leaving the region; then sell at once, and re-invest in the direction of the change. By watching the trend of things, an experienced dealer can always tell by certain signs when a new state of things will arise, and when property, which may have been dormant for a time, will suddenly reappear in market at greatly advanced rates. But, speaking generally, any real estate may be regarded as a good investment that will pay its current expenses and seven per cent on its cost, since the growth of the country will pretty certainly cause it to appreciate in value.

One means of judging of the value of parts of a lot, as compared with the whole, may be formulated in a rule as follows: The first twenty-five feet from the front of a hundred-foot lot is worth one-half of the whole; the first fifty feet is worth three-quarters of the whole; the first seventy-five, ninety per cent of the whole. This rule is of general application on any important street; but if the street is not occupied to any extent for business, but is for private residences

only, the front decreases in value somewhat in its ratio to the rear.

As a general principle in the improvement of real estate, too much money put into building, in proportion to the value of the lot, may prove unfortunate. There needs to be a judicious apportionment of the one to the other; but a little show on the front will always pay well. Yet there is no sort of investment that requires a sounder judgment and more peculiar tact always to hit just right, as to both price and location, than this; and any one who invests thus can well afford to pay a good expert a round commission to locate him aright. Be careful in the choice of your man; many are engaged extensively in the business whose opinions are not worth a rush, while others seem infallible in their judgments and recommendations. Some are natively gifted in this way; while their fellows of the same business, with ever so much practice, do not seem able to seize upon the true underlying principle. So a few are naturally money-makers in merchandise; while the many are blunders forever.

Much more could be said on this fertile topic of investments; but there is room in this chapter for no more. Suffice it to say that any one who has money and wishes to set it at work making more money, should consider carefully what he has in hand, and approach an investment something as he would approach

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his bitterest personal enemy, looking out at every step and movement for an attack. Whatever you propose to invest in, hold your money until you get its full equivalent in present value, and that too made as safe as security will make it, remembering that while you hold the money itself it can and will command any security you may ask. When you have parted with it, you can not get more than you have received in return.





CHAPTER XXIV.

HOW TO LOSE MONEY.

I see Earth's struggling millions
Faltering, falling, small and great;
And I ask, Is wreck and ruin
Man's inevitable fate?

ANONYMOUS.

I confess that increasing years bring with them an increasing respect for men who do not succeed in life, as those words are commonly used. Heaven has been said to be a place for those who have not succeeded on earth; and it is surely true that celestial graces do not best thrive and bloom in the hot blaze of worldly prosperity. Ill success sometimes arises from a superabundance of qualities in themselves good—from a conscience too sensitive, a taste too fastidious, a self-forgetfulness too romantic, a modesty too retiring. I do not go so far as to say with a living poet that

"The world knows nothing of its greatest men ;"

but there are forms of greatness, or at least of excellence, which "die and make no sign." There are martyrs that miss the palm, but not the stake: heroes without the laurel, and conquerors without the triumph.

HON. GEORGE S. HILLARD.



LITTLE explanation of this topic is necessary to the vast number who have had sad experience in the losing of money; and very likely few will be benefited by the giving of it. But the object of our volume would not be met without some rehearsal of what pretty

nearly every one who has handled money or valuables may be presumed to know.

One great and very annoying source of loss is in the indorsement of paper not one's own, and when one has no interest in any profits or products resulting from it. Then why do you do this dangerous and often fatal thing? Probably to assist a friend to get that accommodation, the aid in business, that he could not get without your help. You lend him, accordingly, your capital, for use in a certain contingency, generally without interest and without reciprocal benefit, except in the event that you should want, and he should be able to grant, a return in kind. But if, for a return of the favor, you incur double risk in order to make one profit, you are clearly liable to the imputation of poor financiering. And if, in order to oblige a friend, you are helping him to do that which he can not do by himself, he is overstraining his real ability, and you are probably but helping him to a loss. Thus you are not doing him a friendly service, however obliging and kind your act may seem to be; but rather one by which, if the obligation comes back upon you for payment, you lose at the same time your money and your friend. If your friend has "got into a tight place," has put himself in a position where he must have aid or go to ruin, it is clearly better that he should suffer the consequences than that an innocent party should who has no responsibility in the premises. By refusing your

endorsement you but keep your own, of which no one can complain; and if your friend be worth the keeping, you will hold him also.

The same can be said of lending your own money. If you do either, remember that your money is just as good to you as a bank's money is to the bank, and that the bank would require security. Therefore yourself take security, if you either endorse or lend; and give it, in case you require either. No man can complain of you for that rule of action.

The largest source of loss is parting with money or valuables for notes of hand, or for credits without notes. Much has already been said in this book on that subject. In it lie most of the causes of failure among merchants or traders of any kind. But the reader may say: "How can this be avoided? Goods must be sold; and they can not be sold to any extent without credit, and when you give credit endorsers can not always be had." This is true. As such matters are generally conducted, the propositions are correct. And what are the results—failure or loss? The exhibits made by the statistics of mercantile life prove the fact of loss most conclusively; and while the same system is pursued, identical results must follow. Therefore we reply, Yes—go on and credit, if you like, and then reap in failure and poverty for the rest of your days the almost universal penalty.

But some will desire to do differently, to take a turn from this certain road to destruction. To these

the indication of the causes of failure may be interesting and instructive—may do permanent good. If the merchant regards his goods as so much money, why should he part with them upon any lower security than does the banker or the financier, who is generally so successful in his transactions? Until the operator can ground all his credits upon this principle, failure is almost certain—if not hopeless failure, yet loss of profits and capital will follow, to an absolute certainty.

The principal reason why men allow credits in this dangerous way is that they are led on by the glitter of profit, and become blind to the actual money involved. Let any one investigate the matter, and he will see that if there be no profit, or very little, in the transaction, the credit might not be given at all, and certainly would not be given so readily. Hence the principle is inferred that money is lost in an overweening desire for profit. This is the general rule; though money may be lost at times when the principle does not apply. So the merchant need not say that business can not be done without a great expansion of the credit system.

If a buyer can not or will not give endorsed paper or other security, and is yet worthy of credit, let him give instead what he would have to give at a bank—his note or notes at thirty, sixty, or ninety days. Even these should not be taken without the utmost care. If the merchant could fully realize that the acceptance of

such a note might prove the cause of his failure, he would be exceedingly cautious. Furthermore, experience has shown that there is less danger of loss on small than on large transactions. Big amounts are what creditors generally lose on; and such would be the result of sound reasoning, even if experience had not taught the bitter fact. But no one is likely to go wrong in the acceptance of paper, who will adopt the bank principle of time and responsibility. No doubt some losses will occur, even under a severe rule of credit; but it is the most nearly perfect plan for the giving of credits for merchandise or other wares.

Few men — but a small fraction of the vast body of traders — hold on to money that is made in general trading business before middle life. Why? Simply and solely because they will not profit by the experience of their fellows. The same routine governs each and all, with rare exceptions; and if any are successful and escape the rule, it is rather by good luck than by good management. So abounding and self-sufficient are their own judgments, that they think they can see what others can not, and do not learn that they are human and fallible until their money is gone.

During a certain commercial crisis, a merchant who was the possessor of a handsome fortune in "paper moonshine" came forward with it to breast the storm. Speedily, however, under the combined operation of the general crash and the bankrupt act, his fortune had dwindled almost to nothingness. Being still a

young man, with a logical turn of mind, he set himself to see in what consisted the grand mistake that had lost him his years of labor. His conclusion was that he had virtually put his means into the hands and under the control of others, whose interest, upon general principles, was rather to keep than return it. Seeing his blunder, he from that day began a new financial career, under the inflexible rule that he would never again put a dollar of his money under the control of another man. To that principle he has been true to this day, with a result in profitable investment, in bond and mortgage and in real estate, that is a very handsome thing to contemplate. Of his former investments, in unsecured notes, interest and principal, he thinks he has about a million of dollars in the hands of others, which is as much as any one man ought to have out at one time!

His is a safe rule to adopt in any business, and in the end will produce the largest gains. Under it the trader comes to sell for cash, and the capitalist to keep clear of dishonest bank officers and other schemers, who control moneyed institutions. It obviates nearly all risks of loss, and brings money immediately under control of him who has the greatest interest in its preservation. This could not, of course, become a universal rule, and there is no danger that it will; but those who adopt it will know where their dollars are when they want them, and accumulation must follow as a necessary consequence.

Another prolific source of loss is in speculating or in putting one's resources into new and untried enterprises, and under the control of artful, designing managers. The testimony of the wise man of business is express against these. Says Mr. B. F. Foster: "Because employments in which the risk is greatest give higher profits to a few than others in which there is more certainty, yet it does not follow that the gains, on the whole, are greater in the more adventurous than in the more safe branches of industry. If a few make fortunes more rapidly, a greater number fail to secure anything at all, lose their capital, and become bankrupts." Mr. Freeman Hunt: "'To depart from regular business is to lose money.' No maxim in life is more strictly true than the above quotation. How often do we see men who, in the pursuit of their regular business, were gaining daily in respect and credit, lured away by the *ignis fatuus* of sudden wealth, embark in speculations and enterprises of which they know nothing. They continue on until serious embarrassment, and oftentimes positive ruin, opens their eyes to the fact that, in all descriptions of trade or commercial pursuit, toll must be paid either by apprenticeship or money." And Mr. Freedley: "A departure from regular business frequently results in failure. Men become dissatisfied with the slow gains of the calling with which they are acquainted, and suffer themselves to be enticed from it by stories of fortunes which have been acquired in other pursuits.

There is scarcely a business that can be named in which all have failed ; and those who make the success of others their plea for change, may spend their lives in changing their plans."

How sane men can invest in some of these outside operations, is almost beyond imagination or belief. Some enterprises, to be sure, are well worthy of investment ; but by far the larger class are merely devices to obtain money for other objects than the legitimate, regular dividend promised. How sweetly and eloquently the crafty speculator or manager will sing his bewitching song of big dividends and sure returns ! He may be accounted your best friend ; but has he shown his faith by his works ? Has he his own or the fortune of anybody else made in the same way to cite in proof of his safety and competency to advise, or that his recommendation, indeed, is worth a rush ? In all probability he can not truthfully adduce the profit of a dollar by his plan of operations ; yet he will so fascinate men by his voluble talk and vivid presentations, that they eagerly grasp the chance to set their names to papers that bind them for perhaps thousands upon thousands, in schemes about as likely to materialize and pay as a railroad to the moon. Where do you find a positive guarantee or a penny of real security in the whole thing ? Nowhere except in the talk of somebody who wants to get up a company, sell a stock, or organize a scheme to control your money, and by his financial legerdemain cause it to pass gently from your pocket

to his or to that of one of his associates. Gullible people will sit trustfully down and hear an elaborate yarn about a more than doubtful enterprise a thousand miles away, taking the statement at second, third, or fourth hand, and then eagerly pay over their hard-earned money to a man who could not raise a loan of \$500 on his personal note, or even a loan on bond and mortgage in a place where he is well known, without ample additional security.

Persons with money will always do well to learn in the first instance what profits are promised, or are probable; and if they reach beyond seven or eight per cent, a sudden mistrust will generally be a healthy impulse, prompting you to the conviction that somebody is bent upon getting your money, and equally bent upon your not getting it back. Never mind the dividends promised or imagined. If they can really be made, let some less cautious person make them, and do you wait until you see them before you risk your money. Always remember that legal interest is about all that money can earn in general, and make sure of the return of your principal. If all the money, for example, that has been spent in boring for petroleum, had been invested at seven per cent on bond and mortgage, the account of profits would be far ahead of the actual petroleum capital and profit. But there is a fascination about making a sudden fortune that will continue to find victims to all such risks. There are some minds strong enough, how-

ever, to avoid the very presence of such schemes and all their wiles, since they do not themselves understand the matters involved, and must derive all their information from those whose interests demand that your money should go to help swell their coffers.

In patents, also, a great deal of money has been sunk. Mr. Reade says: "Of all the patents issued, not one in five hundred has ever been worth a dime to the inventor, the individual, or corporation which he may have seduced into the manufacture of his wares."

A safe rule, indeed, is for any one who has money to keep clear of entangling alliances with others. Responsibility for others, even when the amount is comparatively trifling, may cost you your entire estate. Never sign a paper or put your name to anything that you do not fully understand, and in no case to a contract of importance, without first consulting a good lawyer. The trifling fee you pay him for advice may save you immensely in comfort and money. No better plan of action can be adopted than to keep aloof from all entanglements of interest and responsibilities, leaving you free to manage, under good advice, your own capital, keeping it always, or such good security for money as it is, in your own hands. This will ensure you all the comfort money can bring by its handling, since you get your income and avoid legal questions and controversies; and if one desires to be happy, let him keep well out of the law. The

way to keep out is to see to it that all your business is transacted with legal correctness, for the safest money any one can spend is to pay a lawyer to keep you out of controversies, rather than pay him to get you out.

Much money is lost by speculation in things that have little or no intrinsic value. The most important of these is speculation in stocks. Those who have been ground out in this mill can certify that it is about the quickest and most certain means of getting away with money that is known. A few make, to be sure, and make very largely; but generally they make but to lose on other turns of the wheel. Almost any one may make something in a single operation; but if the business be followed further, there is usually but one result. Millions upon millions have been lost by stock gambling in Wall street and all over the country. There is a marked difference between speculating in stocks and buying them, when they are sold in the market under their real value for investment. The latter operation can be undertaken with safety. But the purchase of stocks that are not paying a legitimate dividend, in the hope of selling to another as foolish as the purchaser, is but a strange infatuation. Calling over the long roll of our wealthy men, and considering the vast amount of capital sunk in this style of business, any sensible man would suppose that stock speculative operations would some day cease; yet they not only continue, but increase in volume.

It is like the wild excitement of battle: the more soldiers that fall, the more press forward into the fierce carnage. Just so in these speculations: the failure and disappearance of one large operator or house give room for half a dozen smaller and greener ones, who fancy they can avoid the rocks that experience and skill have not avoided, can succeed where others have failed, can make where others have lost. Such is human nature; and such it will probably remain, all the books, experience, and advice in the world to the contrary notwithstanding.

Money is lost by injudicious investment — that is, paying more than they are worth for things bought for speculative purposes or for turning surplus gains into profit. Sometimes it happens, too, that circumstances beyond the control of the most sagacious will cause depreciation in value of that which was highly valuable when bought. The risk of such contingencies can be shunned by good judgment and watchfulness, taking care, if such circumstances seem likely to arise, to sell out in good time.

We add an instance or two of reckless extravagance, by which individuals are often ruined, and sometimes, when it becomes general, a financial crisis is brought on, as the panic of 1873. They are from Hunt's *Merchant's Magazine*. "In Amsterdam was formerly shown the house of a merchant who, after extravagant expenditure upon its furniture and painting, actually had the floor of one apartment laid with Spanish silver

dollars, set on edge. In another Dutch town resided a Jew so wealthy that, at a loss how otherwise to dispose of his riches, he planned a pavement before his residence, to be laid with massive plates of silver, and surrounded by a heavy ornamented chain of the same metal. The authorities refused their sanction to his scheme, however, which so enraged him that he ordered his house pulled down, and a most eccentric and fantastic affair reared in its stead — a building literally covered with diabolical-looking figures, just as many, it is said, as there are days in the year. This may still be seen, we believe, at Adhem."

The beginnings of an extravagance which may end in utter overthrow and irremediable disaster, are well set forth in the following narrative from Mr. Barnum's lecture on "The Art of Money Getting." He says: "I know a gentleman of fortune who says that when he first began to prosper his wife would have a new and elegant sofa. 'That sofa,' he says, 'cost me thirty thousand dollars!' When the sofa reached the house, it was found necessary to get chairs to match; then sideboards, carpets, and tables 'to correspond' with them; and so on through the entire stock of furniture, when at last it was found that the house itself was quite too small and old-fashioned for the furniture, and a new one was built to correspond with the new purchases, 'thus,' added my friend, 'summing up an outlay of thirty thousand dollars caused by that single sofa, and saddling on me in the shape of servants,

equipage, and the necessary expenses attendant upon keeping up a fine establishment, a yearly outlay of eleven thousand dollars, and a tight pinch at that; whereas ten years ago we lived with much more real comfort, because with much less care, on as many hundreds. The truth is,' he continued, 'that sofa would have brought me to inevitable bankruptcy, had not a most unexampled tide of prosperity kept me above it, and had I not checked the natural desire to "cut a dash."'"

The foregoing, then, are a few, it is believed the most common, sources of the loss of money. The action of the human mind on such matters, however, is so peculiar that, although shrewd men of business see the like occurring every day about them, and book after book is written setting out the attendant dangers, yet little can be hoped in the way of a radical change of these almost certain results. The reader may say to himself, "All this is very well in its way," and nevertheless turn from its reading to lend money to some irresponsible person, or subscribe to a bonanza gold mine in the sun, or take stock in a petroleum well that never has been and never will be sunk, and only awake to the real situation when his money has gone to join the millions that preceded it to that bourne whence no money returns. Alas! —

"Can these things be,
And overcome us like a summer cloud,
Without our special wonder?"



CHAPTER XXV.

EARNING AND SAVING.

In the family, as in the state, the best source of wealth is economy.

CICERO.

The acquisition of property, the accumulation of capital, is already in the power of the better-paid working class; and legislation has but few further facilities to give, or obstacles to remove. Their savings are now so large that only soberer habits and sounder sense are needed to make them independent capitalists in less than half a lifetime.

W. R. GREG.

All savings are made up of little things. "Many a little makes a muckle." Many a penny makes a pound. A penny saved is the seed of pounds saved. And pounds saved mean comfort, plenty, wealth, and independence. But the penny must be earned honestly. It is said that a penny earned honestly is better than a shilling given. A Scotch proverb says, "The gear that is gifted is never sae sweet as the gear that is won." What though the penny be black? "The smith and his penny are both black." But the penny earned by the smith is an honest one.

SAMUEL SMILES.



WE now reach the whole aim and purpose of money-making, considered as a means of accumulation. So far as the ends of this work extend, the good to be attained is a simple independence, to that point at least when money enough is gained and safely invested, so that the holders and all dependent upon

them shall be out of danger of becoming a charge upon the public or their friends. This, certainly, may be demanded of all, because, as was said before, it is a moral and political duty. But we do not desire to be regarded as asking more, although we have gone farther, and shown how fortunes may be made by those ambitious of them. Nor can we ask that savings shall be made beyond a point that will ensure independence, though we may in like manner show that fortunes will result by further continuance of the same process. As the very foundation, then, we hold that till independence is secured a man has no moral or political right to spend more than is necessary for his support, in a style commensurate with his position in life. All extravagances and useless expenditures should be avoided, and a persistent course of rigid economy followed, until independence is achieved. In order to this, one need not descend to meanness or parsimony; but instead of gratifying every want a part of his expenses may be curtailed. The principle laid down heretofore for the professional salaried man is a sound one for every grade of life. As in that case, consider that ten per cent of your earnings is not your own, but that you are your own trustee to secure your own independence, with fifteen per cent to be deposited in a savings institution, by way of reserve fund against "a rainy day." Let the ten per cent be invested in premiums of a ten-year endowment policy in proportion to your means, and this part of

your duty is sufficiently done. If you can go on to do more and get a fortune, well — much better, indeed.

In any view of the case, either of one seeking a fortune or another bent upon an independence, the operation of this cardinal rule will steady all his financial life and bring him to prosperity. Let us suppose a merchant, or trader of any kind, is in receipt of profits to the amount of \$10,000 per annum, and he takes \$1,000 for investment in premiums on a ten-year endowment policy, putting \$1,500 also into a savings-bank, to accumulate at six per cent as a reserve fund. If he lives till the ten years expire, his policy will mature; and if it be taken in a cash mutual company, \$12,614.64 will then await his order. In the meantime his life has been kept insured for a comfortable sum, his \$1,500 per annum have amounted to \$18,923.46, and the addition of the two sums gives him the fine total of \$31,529.10.

Now, if our trader has paid his expenses, and annually invested his balance of \$7,500 in his business, with profits at the average rate, say, of eight per cent, he would have from this source alone, at the end of ten years, \$111,660.05, and from all sources \$143,199.15. The same rule can be applied to any amount of surplus income, the main feature kept in mind being the life-endowment policy, by which, if death occurs, some provision is made for dependent survivors. Such a course is especially imperative upon

every married man when he first undertakes business. No matter how small the profits may be, the principle remains the same; but the endowment policy must of course be smaller in proportion.

Net profits depend entirely, or nearly so, upon expenses, since there is no occupation that does not afford a profit — that is, more income than is required to meet necessary expenses. To ensure savings, therefore, expenses should be reduced to their minimum, which will of course give the maximum profit. As for those who already have fortunes, the more they spend and the less they save, the better it is for the community. By this their money is put into circulation, and it becomes easier for those who are striving for it to get it. Until the independence is obtained, however, the rule of right is squarely the reverse. They have then no right to spend until this object is accomplished; for the chances are that they will spend what is not their own.

Neither has any man in debt the right to spend more than is necessary to support properly his relative position in life; for in like manner, in case he fails, he will be found in the end to have been spending money belonging to others. Since failure is one of the contingencies of trade, he is bound not only in honor, but morally, to save everything beyond his necessities until he is out of debt, when he can do as he pleases in this matter.

It becomes, then, a close question to decide what

are necessary expenses. If the small trader apes the millionaire in his expenditures, while he still owes heavily, the result may be easily conjectured. But if he lives modestly, economically, and in due proportion to his income, leaving a large portion of it for his debts and savings, success, in all probability, will follow.

“ Know when to spend, and when to spare,
And when to buy, and thou shalt ne'er be bare.”

Judicious expenditures depend wholly upon the determined will and good judgment of the expender. They are, in nine cases out of ten, governed chiefly by the wife, if the man have one. The general rule is, Man loses without, wife spends within. Lord Bacon said truly, “ The man who has a wife and children has given hostages to Fortune”; but an old proverb says with equal truth, “ A man can not thrive unless his wife let him.” Another venerable saying is that “ the wife can throw out with a teaspoon what the husband can throw in with a shovel.” The whole business of savings, indeed, rests largely with the wife. As a general rule, she is solely responsible for the success or failure of the domestic economy. What satisfies the wife usually satisfies the man. In many cases she is directly responsible for the success or failure of her husband. While he is straining every nerve to keep his business afloat, she must have a fine house, elegant furniture, fashionable clothing, a stylish turnout, and everything to correspond. She hears of his heavy operations, of his handsome profits, and

large income ; and in her ignorance of the course and laws of trade, she naturally supposes they are rich, and that she can spend as she likes. She advises her docile and devoted husband that "Mrs. Grundy does thus and so, and she has no more money than we have." Hence society, parties, balls, dress, and all sorts of fashionable expenditure are entered into with eager zest, while the husband is "shinning the street" or tossing upon his bed in the effort to provide for his notes as they mature from day to day, and striving with might and main to keep his head above water. The wife still "cuts her dash" in the most reckless and cruel manner, since, having once started on the course, she can not stop in it without losing her place in the esteem of the Grundys. And the husband, with no more power to stay extravagance at home than to scull up the current of Niagara with a crow-bar, pays and pays, and steadily leaches his profits down to nothing. The inevitable end comes in failure, poverty, distress. The man does not seem to know why he has failed ; the wife will not confess her agency in the disaster, never for an instant acknowledging that her own hand has plunged the dagger into the financial heart of her home. She will never sit down and foot up the long list of her costly follies, and state the appalling sum spent by her personally, which has become the direct cause of her spouse's misfortunes.

What is the fundamental cause of such unhappy domestic histories ? Simply ignorance of their true

position, on the part of both husband and wife. The latter is led to this course by the vain supposition that her husband really has the means to support it; while on the other hand he often keeps from his wife the true state of his affairs. Both are then groping in the dark on the vital point of their future happiness — in fact, are anticipating too soon that for which they should be laboring and waiting.

The husband too, unaided by the wife, often brings the family to similar disaster. Fast horses, fashionable clubs, dinners and suppers, liquors and cigars, and numberless other extravagances, squander away the earnings, while the wife in her modest home may be thoroughly economical and saving. She strains every nerve to spare the money, while her heedless or heartless consort rapidly saps the foundation of their property; and failure and want speedily follow. Many would blame both husband and wife; and in some sense both are to blame. But they are more to blame for their ignorance of the true principles of living than for the fact of failure. They have no plan of action, no fear of the future, as the child has no fear of fire until his painful experience of it has warned him. They have so far never failed or been in want: how should they know what it is? Those whose prosperity is thus jeopardized may possibly read our book, but they will never suspect that they too are in danger of what has just been portrayed; and yet the very morrow may bring them the stunning reality.

How is the business world to be warned, and failure to be avoided? Every case in life is a different one; and so no rule can be given by which all must act. But let any one consider carefully what expenditures he can avoid to-day or this week — say one cigar less, one less drink, one less party or ride, or attendance at the play. Deny yourself something every day, put the money you would otherwise spend for it into a little bank or other receptacle; and you will be surprised at the result in a very short time. If you keep it up faithfully for six months, your future is secured; for by this time a habit will be contracted that will soon run into a fixed principle of living. Mr. Smiles says, in his book on "Thrift":

"There is a dignity in the very effort to save with a worthy purpose, even though the attempt should not be crowned with eventual success. It produces a well-regulated mind; it gives prudence a triumph over extravagance; it gives virtue the mastery over vice; it puts the passions under control; it drives away care; it secures comfort. Saved money, however little, will serve to dry up many a tear, will ward off many sorrows and heart-burnings which otherwise might prey upon us. Possessed of a little store of capital, a man walks with a lighter step, his heart beats more cheerily. When interruption of work or adversity happens, he can meet it; he can recline on his capital, which will break his fall or prevent it altogether. By prudential economy we can realize the dignity of man;

life will be a blessing, and old age an honor. We can ultimately, under a kind Providence, surrender life, conscious that we have been no burden upon society, but rather perhaps an acquisition and ornament to it; conscious also that we have been independent, our children after us, by following our example and availing themselves of the means we have left behind us, will walk in like manner through the world in happiness and independence."

The surprising results of the pettiest saving, viewed from the end of a term of years, are thus set forth by Mr. Reade: "One cent an hour for ten hours each working day, put at interest from the twentieth year of a man's life to the seventieth, ensures an inventory of over thirteen thousand dollars, and makes grandchildren millionaires. Fifty cents a day, put at interest from the twentieth year of a man's life to the fiftieth, gives him nearer eight thousand dollars than seven; and if he continue the practice ten years longer, his cash assets would be nearer twenty thousand dollars than nineteen. There are few men in any ordinary business, having a disposition thus to do, but can lay aside this amount."

Mr. Smiles, again, suggests as follows:

"The methods of practicing economy are very simple. Spend less than you earn; that is the first rule. A portion should always be set apart for the future. The person who spends more than he earns is a fool. The civil law regards the spendthrift as akin to the



LAYING UP A STORE.

lunatic, and frequently takes from him the management of his own affairs.

“The next rule is to pay ready money, and never, on any account, to run into debt. The person who runs into debt is apt to get cheated; and if he runs into debt to any extent, he will himself be apt to get dishonest. Who pays what he owes, enriches himself.

“The next is never to anticipate uncertain profits by expending them before they are secured. The profits may never come, and in that case you will have taken upon yourself a load of debt which you may never get rid of. It will sit upon your shoulders like the old man in Sinbad.

“Another method of economy is to keep a regular account of all that you earn and of all that you expend. An orderly man will know beforehand what he requires, and will be provided with the necessary means for obtaining it. Thus his domestic budget will be balanced, and his expenditures kept within his income.”

Let any one adopt the simpler plan of economy who can not adopt the ten- and fifteen-per-cent plan before recommended, and at the end of each week put the money in some safe place of deposit, or better in a savings-bank. The whole object will thus be accomplished, for the moment any one has acquired the habit of saving it continues to grow upon him. Do not, indeed, be mean and niggardly; but merely lay aside

such part of your current expenditures as have given you no real return, and you will find that a new world of prosperity and hope has opened upon your life.

The chief obstacle to such a course may be found in your surroundings or associates. The great question for each to decide is whether he will live to please his reputed friends or to please himself, for their benefit or for his own happiness and success — whether he will live to be poor and dependent, or independent and beyond the fear of poverty. To this end the beginner in life, inspecting the table in our fourth chapter, may see how many dollars of his hoped-for independence or fortune he throws away when he uselessly wastes a dollar. If his purposes contemplate an independence at thirty years of age, every dollar spent at twenty counts for \$2.10 at thirty; if his plans run on to forty years, his dollar becomes \$4.14; it is \$8.14 at fifty, \$16.02 at sixty, \$31.51 at seventy, and \$62.00 at eighty.

The most satisfactory, and often startling, manner in which the subject of one's daily or annual expenditure can be brought home to his consciousness, is to keep an account of every cent expended in the course of a year, and at its close go over the list for the selection of such items as were unnecessary or could have been avoided without interfering with your positive position in life. Any one has but to do this a single time, and the matter will be illustrated to and fixed upon his mind once for all. Then, to make the lesson

immediately practical and useful, stop right where you are in useless expenditures, and change your base to a complete cutting-off of all unnecessary items. A few years will exhibit to you, in a most satisfactory way, the magnitude of the result; your future will be assured; your social standing will be improved; your entire character will be changed for the better.

We can not close this chapter without again inviting attention to the plan recommended in our chapter on the professional salaried man. All questions of savings are comprised in that rule of action. If your income be large enough, your ten-per-cent can be invested directly in bond and mortgage at seven per cent, as a permanent fund, not to be touched, not to be spent. The fifteen-per-cent can be placed in real estate or some productive security; and to avoid the possibility of loss in business operations of the trust fund of ten-per-cent for the benefit of your dependants, that can be placed in their name as the permanent reserve fund.

For those who have but small amounts in surplus of expenses, the savings-banks furnish the only places where their funds can be most safely deposited; and ten per cent of your income placed in their vaults will soon give you a handsome total to your credit. Two accounts should be opened with the bank, one for the permanent fund of ten-per-cent, the other for as much of the fifteen-per-cent fund as can be spared. Having

your rule of savings now established, stick to it without reservation. Your independence will be secured, and if you live long enough your fortune as well. This, then, being the most certain machinery to produce a result which all desire, let no one delay in its operation. To undertake saving in any other shape is simply to undertake independent and separate decision upon every case of expenditure that arises. This rule covers all, and will accomplish all that is desired.

A valuable series of tables of earnings and savings has been prepared as an appendix to this chapter. They give all the per-diem accounts, from one cent to fifty dollars, for one year to fifty years, by which any one can determine at a glance when he would like to have his independence fall in, and how much he will have to average in savings per day to raise the amount desired. They are calculated for accumulations without interest and with interest, respectively, at five, six, seven, and eight per cent per annum, the principal and interest being improved (compounded) every six months. Their use can be understood by a simple example. Suppose you wish to learn how much you would have to save every day for ten years to accumulate \$5,000. Look at the ten-year tables, run down the columns without interest and with interest variously at five, six, seven, and eight per cent; and you will find that by a daily saving of \$1.60—\$3,130 as the accumulation of \$1.00, and \$1,878 as that of 60 cents—you

have an aggregate of \$5,008 without interest. So that \$1.60 a day will accumulate in ten years, without interest, to the sum of \$5,008, and with interest other results are had in each of the respective columns of five, six, seven, or eight per cent.

These tables are interesting and important. By looking at them often and studying them carefully, the great idea of gain by accumulation can be grounded in the mind, and the beneficial results to the money-seeker proved. They show, too, how much per-diem amounts will accumulate in any number of years, and at any ordinary interest, or without it.

TABLE

Showing the net amount of earnings of ONE CENT to FIFTY DOLLARS *per day* for ONE YEAR of 313 working days, without interest, and with interest at 5, 6, 7, and 8 per cent., improved each *six months*.

Savings per day.	Without interest.	With interest at 5 per cent.	With interest at 6 per cent.	With interest at 7 per cent.	With interest at 8 per cent.
1	\$3 13	\$3 17	\$3 18	\$3 18	\$3 19
2	6 26	6 34	6 35	6 37	6 39
3	9 39	9 51	9 53	9 55	9 58
4	12 52	12 68	12 71	12 74	12 77
5	15 65	15 85	15 88	15 92	15 96
6	18 78	19 01	19 06	19 11	19 16
7	21 91	22 18	22 24	22 29	22 35
8	25 04	25 35	25 42	25 48	25 54
9	28 17	28 52	29 59	28 66	28 73
10	31 30	31 69	31 77	31 85	31 93
15	46 95	47 54	47 65	47 77	47 89
20	62 60	63 38	63 54	63 70	63 85
25	78 25	79 23	79 42	79 62	79 82
30	93 90	95 07	95 31	95 54	95 78
40	125 20	126 76	127 08	127 39	127 70
50	156 50	158 46	158 85	159 24	159 63
60	187 80	190 15	190 62	191 09	191 56
70	219 10	221 84	222 39	222 93	223 48
80	250 40	253 53	254 16	254 78	255 41
90	281 70	285 22	285 93	286 63	287 33
\$1 00	313 00	316 91	317 69	318 48	319 26
2 00	626 00	633 82	635 39	636 95	638 52
3 00	939 00	950 74	953 08	955 43	957 78
4 00	1,252 00	1,267 65	1,270 78	1,273 91	1,277 04
5 00	1,565 00	1,584 56	1,588 47	1,592 39	1,596 30
6 00	1,878 00	1,901 47	1,906 17	1,910 86	1,915 56
7 00	2,191 00	2,218 39	2,223 86	2,229 34	2,234 82
8 00	2,504 00	2,535 30	2,541 56	2,547 82	2,554 08
9 00	2,817 00	2,852 21	2,859 26	2,866 33	2,873 34
10 00	3,130 00	3,169 12	3,176 15	3,184 77	3,192 60
15 00	4,695 00	4,753 69	4,765 42	4,777 16	4,788 90
20 00	6,260 00	6,338 25	6,350 90	6,369 55	6,385 20
25 00	7,825 00	7,922 81	7,942 37	7,961 94	7,981 50
30 00	9,390 00	9,507 37	9,530 88	9,554 32	9,577 80
35 00	10,955 00	11,091 84	11,119 32	11,146 71	11,174 10
40 00	12,520 00	12,676 50	12,707 80	12,739 10	12,770 40
45 00	14,085 00	14,261 06	14,296 28	14,331 49	14,366 70
50 00	15,650 00	15,845 63	15,884 75	15,923 88	15,963 00

TABLE

Showing the net amount of earnings of ONE CENT to FIFTY DOLLARS *per day* for FIVE YEARS of 313 working days, without interest, and with interest at 5, 6, 7, and 8 per cent, improved each *six months*.

Savings per day.	Without interest.	With interest at 5 per cent.	With interest at 6 per cent.	With interest at 7 per cent.	With interest at 8 per cent.
1	\$15 65	\$17 53	\$17 94	\$18 36	\$18 79
2	31 30	35 07	35 88	36 72	37 58
3	46 95	52 60	53 82	55 08	56 37
4	62 60	70 13	71 76	73 44	75 16
5	78 25	87 67	89 70	91 80	93 95
6	93 90	105 20	107 65	110 16	112 74
7	109 55	122 73	125 59	128 52	131 53
8	125 20	140 27	143 53	146 88	150 32
9	140 85	157 80	161 47	165 24	169 11
10	156 50	175 33	179 41	183 60	187 90
15	234 75	263 00	267 11	275 39	281 84
20	313 00	350 00	358 82	367 19	375 79
25	391 25	438 33	448 52	458 99	469 74
30	469 50	526 00	538 23	550 79	563 69
40	626 00	701 33	717 64	734 39	751 58
50	782 50	876 66	897 03	917 98	939 48
60	939 00	1,052 00	1,976 46	1,101 58	1,127 37
70	1,095 50	1,227 33	1,255 87	1,285 17	1,315 27
80	1,202 00	1,402 66	1,435 28	1,468 77	1,503 16
90	1,408 50	1,578 00	1,614 69	1,652 37	1,691 06
\$1 00	1,565 00	1,753 33	1,794 10	1,835 96	1,878 96
2 00	3,130 00	3,506 66	3,588 19	3,671 93	3,757 91
3 00	4,695 00	5,259 99	5,382 29	5,507 89	5,636 87
4 00	4,695 00	7,013 32	7,176 39	7,343 85	7,515 82
5 00	7,825 00	8,766 65	8,970 49	9,179 82	9,394 78
6 00	9,390 00	10,519 98	10,764 58	11,015 78	11,273 73
7 00	10,955 00	12,273 30	12,558 68	12,851 74	13,132 69
8 00	12,520 00	14,027 63	14,352 78	14,688 70	15,031 65
9 00	14,085 00	15,779 96	16,146 87	16,523 67	16,910 60
10 00	15,650 00	17,533 29	17,940 97	18,359 63	18,789 56
15 00	23,475 00	26,299 94	26,711 46	27,539 45	28,184 34
20 00	31,300 00	35,066 58	35,881 94	36,719 26	37,579 12
25 00	39,125 00	43,833 23	44,852 43	45,899 08	46,973 89
30 00	46,950 00	52,599 88	53,822 91	55,078 89	56,368 67
35 00	54,775 00	61,366 52	62,793 40	64,258 71	65,763 45
40 00	62,600 00	70,133 17	71,763 88	73,438 52	75,158 23
45 00	70,425 00	78,899 82	80,734 37	82,618 34	84,533 01
50 00	78,250 00	87,666 46	89,704 86	91,798 15	93,947 79

TABLE

Showing the net amount of earnings of ONE CENT to FIFTY DOLLARS *per day* for TEN YEARS of 313 working days, without interest, and with interest at 5, 6, 7, and 8 per cent, improved each *six months*.

Savings per day.	Without interest.	With interest at 5 per cent.	With interest at 6 per cent.	With interest at 7 per cent.	With interest at 8 per cent.
1	\$31 13	\$39 98	\$42 05	\$44 26	\$46 60
2	62 26	79 95	84 10	88 52	93 21
3	93 39	119 93	126 16	132 77	139 81
4	124 52	159 91	168 21	177 03	186 41
5	156 50	199 89	210 26	222 29	233 01
6	187 80	239 86	252 31	265 56	279 62
7	219 10	279 84	294 36	309 80	326 22
8	250 40	319 82	336 52	354 06	372 82
9	281 70	369 80	378 47	398 22	419 42
10	313 00	399 77	420 52	442 58	466 03
15	469 50	599 66	630 78	666 87	699 04
20	626 00	799 95	841 04	885 15	932 05
25	782 50	999 43	1,051 30	1,111 44	1,165 07
30	939 00	1,199 32	1,261 56	1,327 73	1,398 08
40	1,252 00	1,599 10	1,682 09	1,770 31	1,864 11
50	1,565 00	1,998 87	2,102 61	2,212 89	2,330 13
60	1,878 00	2,398 64	2,523 13	2,655 46	2,796 16
70	2,191 00	2,798 42	2,943 65	3,098 04	3,262 19
80	2,504 00	3,198 19	3,364 17	3,540 62	3,728 22
90	2,817 00	3,599 97	3,784 69	3,982 19	4,194 24
\$1 00	3,130 00	3,997 74	4,205 21	4,425 77	4,660 27
2 00	6,260 00	7,995 48	8,410 43	8,851 54	9,320 54
3 00	9,390 00	11,993 22	12,615 64	13,277 31	13,980 81
4 00	12,520 00	15,990 96	16,820 85	17,703 08	18,641 08
5 00	15,650 00	19,998 69	21,026 07	22,228 85	23,301 35
6 00	18,750 00	23,986 43	25,251 28	26,554 32	27,961 62
7 00	21,910 00	27,984 17	29,436 50	30,980 39	32,621 89
8 00	25,040 00	31,982 91	33,642 71	35,406 16	37,282 14
9 00	28,170 00	35,979 65	37,846 92	39,821 93	41,942 42
10 00	31,300 00	39,977 39	42,052 14	44,257 70	46,602 69
15 00	46,950 00	59,956 08	63,078 20	66,668 55	69,904 04
20 00	62,600 00	79,954 78	84,104 27	88,515 40	93,205 39
25 00	78,250 00	99,943 47	105,030 00	111,144 00	116,507 00
30 00	93,900 00	119,932 00	126,156 00	132,773 00	139,808 00
35 00	109,550 00	139,920 00	147,182 00	154,902 00	163,109 00
40 00	125,200 00	159,909 00	168,209 00	177,031 00	186,411 00
45 00	140,850 00	179,898 00	189,235 00	199,120 00	209,712 00
50 00	156,500 00	199,887 00	210,261 00	222,289 00	233,913 00

TABLE

Showing the net amount of earnings of ONE CENT to FIFTY DOLLARS *per day* for FIFTEEN YEARS of 313 working days, without interest, and with interest at 5, 6, 7, and 8 per cent improved each *six months*.

Savings per day.	Without Interest.	With Interest at 5 per cent.	With Interest at 6 per cent.	With Interest at 7 per cent.	With Interest at 8 per cent.
1	\$47	\$69	\$74	\$81	\$88
2	94	137	149	162	178
3	141	206	223	242	263
4	188	275	298	323	351
5	235	344	372	404	439
6	282	412	447	485	527
7	329	481	521	565	614
8	376	550	596	646	702
9	423	618	670	727	790
10	470	687	745	808	878
15	704	1,031	1,117	1,212	1,317
20	939	1,374	1,489	1,616	1,755
25	1,174	1,718	1,861	2,018	2,194
30	1,409	2,061	2,234	2,424	2,633
40	1,878	2,748	2,978	3,232	3,511
50	2,348	3,435	3,727	4,039	4,389
60	2,817	4,122	4,467	4,847	5,266
70	3,227	4,810	5,212	5,655	6,144
80	3,756	5,497	5,956	6,463	7,022
90	4,226	6,184	6,701	7,271	7,900
\$1 00	4,695	6,871	7,446	8,079	8,777
2 00	9,390	13,742	14,891	16,160	17,555
3 00	14,085	20,612	22,337	24,237	26,332
4 00	18,785	27,483	29,782	32,316	35,109
5 00	23,475	34,354	37,228	40,395	43,886
6 00	28,170	41,225	44,673	48,474	52,664
7 00	32,865	48,095	52,119	56,550	61,441
8 00	37,560	54,966	59,564	64,633	70,218
9 00	42,255	61,837	67,060	72,716	78,996
10 00	46,950	68,708	74,456	80,789	87,773
15 00	70,425	103,162	111,683	121,184	131,659
20 00	93,900	137,415	148,911	161,600	175,546
25 00	117,375	171,769	186,139	201,974	219,432
30 00	140,850	206,123	223,367	242,368	263,319
35 00	164,325	240,477	260,594	282,748	307,205
40 00	187,800	274,830	297,822	323,158	351,092
45 00	211,275	309,185	335,050	363,553	394,978
50 00	234,750	343,539	372,278	409,947	438,865

TABLE

Showing the net amount of earnings of ONE CENT to FIFTY DOL-
LARS *per day* for TWENTY YEARS of 313 working days, with-
out interest, and with interest at 5, 6, 7, and 8 per cent,
improved each *six months*.

Savings per day.	Without Interest.	With Interest at 5 per cent.	With Interest at 6 per cent.	With Interest at 7 per cent.	With Interest at 8 per cent.
1	\$63	\$105	\$118	\$132	\$149
2	126	211	236	265	297
3	189	316	354	397	446
4	252	422	472	529	595
5	313	527	590	662	744
6	376	633	708	794	892
7	438	738	826	926	1,041
8	501	844	944	1,059	1,190
9	563	949	1,062	1,191	1,338
10	626	1,055	1,180	1,323	1,487
15	939	1,582	1,770	1,985	2,231
20	1,252	2,110	2,360	2,646	2,974
25	1,565	2,637	2,950	3,308	3,718
30	1,878	3,165	3,540	3,970	4,461
40	2,504	4,219	4,720	5,293	5,949
50	3,130	5,274	5,900	6,616	7,436
60	3,756	6,329	7,081	7,939	8,923
70	4,382	7,384	8,260	9,262	10,410
80	5,008	8,439	9,440	10,586	11,897
90	5,634	9,494	10,620	11,909	13,384
\$1 00	6,260	10,969	11,800	13,232	14,872
2 00	12,520	21,097	23,601	26,464	29,744
3 00	25,040	31,646	35,401	39,696	44,614
4 00	25,040	42,194	47,201	52,928	59,886
5 00	31,300	52,743	59,001	66,161	74,357
6 00	37,560	63,291	70,802	97,393	89,229
7 00	43,820	73,839	82,602	92,625	104,100
8 00	50,080	84,388	94,402	105,857	118,972
9 00	56,340	94,936	106,203	119,089	133,843
10 00	62,600	105,485	118,003	132,321	148,715
15 00	93,900	158,227	177,004	197,482	223,072
20 00	125,250	210,970	236,006	264,642	297,440
25 00	156,500	263,712	295,007	330,803	371,787
30 00	187,800	316,455	354,049	396,964	446,141
32 00	219,100	369,197	314,010	463,124	520,502
40 00	250,400	421,940	472,012	529,285	594,860
45 00	281,700	474,682	531,013	595,445	669,217
50 00	313,000	527,425	590,015	661,606	743,575

TABLE

Showing the net amount of earnings of ONE CENT to FIFTY DOLLARS *per day* for TWENTY FIVE YEARS of 313 working days, without interest, and with interest at 5, 6, 7, and 8 per cent., improved each *six months*.

Savings per day.	Without Interest.	With Interest at 5 per cent.	With Interest at 6 per cent.	With Interest at 7 per cent.	With Interest at 8 per cent.
1	\$78	\$153	\$177	\$205	\$239
2	156	305	353	410	478
3	234	458	530	615	717
4	312	610	706	820	956
5	391	763	883	1,025	1,195
6	469	915	1,059	1,230	1,434
7	548	1,068	1,256	1,435	1,672
8	626	1,220	1,412	1,640	1,911
9	704	1,373	1,589	1,845	2,145
10	782	1,526	1,765	2,050	2,389
15	1,174	2,288	2,648	3,075	3,584
20	1,505	3,051	3,531	4,100	4,778
25	1,956	3,814	4,413	5,125	5,973
30	2,348	4,577	5,296	6,150	7,168
40	3,130	6,103	7,061	8,200	9,557
50	3,913	7,628	8,826	10,251	11,946
60	4,695	9,154	10,592	12,301	14,335
70	5,477	10,679	12,257	14,350	16,725
80	6,260	11,205	14,122	16,401	19,114
90	7,043	13,731	15,887	18,451	21,446
\$1 00	7,825	15,256	17,653	20,501	23,892
2 00	15,650	30,513	35,305	41,002	47,785
3 00	23,475	45,769	52,958	61,504	71,677
4 00	31,400	61,025	70,611	82,005	95,570
5 00	39,125	76,282	88,264	102,506	119,462
6 00	46,950	91,538	105,916	123,007	143,354
7 00	54,775	106,794	125,569	143,501	167,247
8 00	62,600	122,050	141,221	164,009	191,139
9 00	70,425	137,307	158,874	184,511	214,462
10 00	78,250	152,563	176,527	205,012	238,924
15 00	117,375	228,845	264,791	307,518	358,386
20 00	156,500	305,126	353,054	410,023	477,848
25 00	195,625	381,408	441,318	512,549	597,310
30 00	234,750	457,689	529,581	615,035	716,772
35 00	273,875	533,976	612,845	717,506	836,734
40 00	313,000	610,252	706,108	820,047	945,696
45 00	352,125	686,534	794,372	922,553	1,072,308
50 00	391,250	762,815	882,635	1,025,059	1,194,620

TABLE

Showing the net amount of earnings of ONE CENT to FIFTY DOLLARS *per day* for THIRTY YEARS of 313 working days, without interest, and with interest at 5, 6, 7, and 8 per cent., improved each *six months*.

Savings per day.	Without Interest.	With Interest at 5 per cent.	With Interest at 6 per cent.	With Interest at 7 per cent.	With Interest at 8 per cent.
1	\$94	\$213	\$255	\$308	\$372
2	288	425	510	615	745
3	282	638	756	923	1,117
4	376	851	1,021	1,230	1,490
5	470	1,064	1,276	1,538	1,862
6	563	1,277	1,531	1,845	2,235
7	657	1,490	1,786	2,153	2,606
8	751	1,703	2,041	2,460	2,980
9	845	1,915	2,297	2,768	3,352
10	939	2,128	2,552	2,956	3,725
15	1,409	3,192	3,828	4,613	5,587
20	1,878	4,257	5,104	6,151	7,449
25	2,348	5,321	6,329	7,689	9,311
30	2,817	6,385	7,555	9,226	11,174
40	3,756	8,513	10,207	12,302	14,898
50	4,695	10,641	12,759	15,377	18,628
60	5,634	12,770	15,311	18,453	22,347
70	6,573	14,898	17,863	21,528	26,062
80	7,512	17,026	20,414	24,604	29,796
90	8,451	19,154	22,966	27,679	33,521
\$1 00	9,390	21,283	25,518	30,755	37,246
2 00	18,780	42,565	51,036	61,509	74,491
3 00	28,170	63,848	75,554	92,264	111,737
4 00	37,560	85,131	102,071	123,018	148,982
5 00	46,950	106,413	127,589	153,773	186,228
6 00	56,340	127,696	153,107	184,528	223,473
7 00	65,730	148,979	178,625	215,284	260,619
8 00	75,120	170,261	204,142	246,036	277,764
9 00	84,510	191,544	229,661	276,791	335,210
10 00	93,900	212,827	255,179	307,546	372,455
15 00	140,850	319,240	382,767	461,319	558,683
20 00	187,800	425,654	510,357	615,092	744,911
25 00	234,750	532,067	639,947	768,865	931,138
30 00	281,700	638,481	755,536	922,638	1,177,366
35 00	322,650	744,894	893,125	1,076,420	1,303,094
40 00	375,600	851,307	1,020,715	1,230,184	1,489,822
45 00	422,550	957,721	1,148,304	1,383,957	2,676,049
50 00	469,500	1,030,546	1,231,134	1,478,183	1,783,127

TABLE

Showing the net amount of earnings of ONE CENT to FIFTY DOLLARS *per day* for FORTY YEARS of 313 working days, without interest, and with interest at 5, 6, 7, and 8 per cent, improved each *six months*.

Savings per day.	Without Interest.	With Interest at 5 per cent.	With Interest at 6 per cent.	With Interest at 7 per cent.	With Interest at 8 per cent.
1	\$125	\$389	\$503	\$656	\$863
2	250	777	1,006	1,312	1,728
3	375	1,166	1,509	1,969	2,588
4	500	1,555	2,012	2,625	3,451
5	704	1,944	2,515	3,281	4,313
6	751	2,333	3,018	3,937	5,176
7	876	2,721	3,521	4,594	6,039
8	1,002	3,110	4,023	5,250	6,902
9	1,127	3,498	4,526	5,906	7,764
10	1,409	3,887	5,029	6,562	8,627
15	1,878	5,831	7,544	9,843	12,940
20	2,504	7,774	10,059	13,124	17,254
25	3,130	9,718	12,573	16,405	21,567
30	3,756	11,662	15,088	19,686	25,881
40	5,008	15,549	20,117	26,248	34,508
50	6,260	19,436	25,147	32,810	43,135
60	7,512	23,323	30,176	39,373	51,762
70	8,764	27,210	35,205	45,945	60,389
80	10,016	31,098	40,235	52,497	69,016
90	11,268	34,985	45,264	59,059	77,643
\$1 00	12,520	38,872	50,293	65,621	86,270
2 00	25,040	77,744	100,587	131,242	195,061
3 00	37,560	116,616	150,880	196,863	258,809
4 00	50,080	155,488	201,173	262,484	345,079
5 00	62,600	194,359	251,467	328,105	431,249
6 00	75,120	233,231	301,760	393,726	517,619
7 00	87,640	272,103	352,053	459,446	603,889
8 00	100,160	310,975	402,646	524,967	690,159
9 00	112,680	349,847	452,640	590,588	776,428
10 00	125,200	388,719	502,933	656,209	862,698
15 00	487,800	583,078	754,399	984,314	1,294,047
20 00	250,400	777,438	1,005,866	1,312,418	1,725,397
25 00	313,000	971,797	1,257,333	1,640,523	2,156,746
30 00	375,600	1,116,157	1,508,799	1,968,628	2,588,095
35 00	138,200	1,360,516	1,760,266	2,297,232	3,019,444
40 00	500,800	1,554,876	2,011,732	2,624,837	3,450,793
45 00	563,400	1,749,235	2,263,199	2,452,942	3,882,142
50 00	626,000	1,943,595	2,514,666	3,281,046	4,313,491

TABLE

Showing the net amount of earnings of ONE CENT to FIFTY DOLLARS *per day* for FIFTY YEARS of 313 working days, without interest, and with interest at 5, 6, 7, and 8 per cent., improved each *six months*.

Savings per day.	Without Interest.	With Interest at 5 per cent.	With Interest at 6 per cent.	With Interest at 7 per cent.	With Interest at 8 per cent.
1	\$157	\$677	\$950	\$1,350	\$1,937
2	314	1,354	1,901	2,700	3,874
3	471	2,031	2,851	4,050	5,811
4	628	2,708	3,802	5,400	7,748
5	783	3,385	4,752	6,741	9,684
6	939	4,062	5,702	8,100	11,621
7	1,095	4,739	6,653	9,450	13,558
8	1,252	5,416	7,603	10,800	15,495
9	1,408	6,092	8,554	12,150	17,432
10	1,565	6,769	9,504	13,500	19,369
15	2,348	10,154	14,256	20,250	29,053
20	3,130	15,539	19,008	27,000	38,737
25	3,913	16,923	23,760	33,749	48,422
30	4,695	20,308	28,512	44,993	58,106
40	6,260	27,078	38,016	53,999	77,476
50	7,825	33,847	47,520	67,499	96,843
60	9,390	40,616	57,024	80,999	116,212
70	10,955	47,386	66,528	94,988	135,581
80	12,520	54,155	76,032	107,998	154,949
90	14,058	60,424	85,537	121,498	174,318
\$1 00	15,650	67,694	95,041	134,998	193,687
2 00	31,300	135,388	190,081	269,995	387,373
3 00	46,950	203,082	285,122	404,993	581,060
4 00	62,600	270,775	380,162	539,990	774,756
5 00	78,250	338,469	475,203	674,988	968,433
6 00	93,900	406,163	570,244	809,985	1,162,119
7 00	109,550	473,857	665,284	944,983	1,355,806
8 00	125,200	541,551	760,325	1,079,980	1,549,493
9 00	140,850	609,245	855,365	1,214,978	1,743,179
10 00	156,500	676,939	950,406	1,349,976	1,936,866
15 00	234,750	1,015,407	1,425,606	2,024,963	2,905,299
20 00	313,000	1,353,877	1,900,812	2,699,951	3,873,732
25 00	391,250	1,692,347	2,376,015	3,374,939	4,842,165
30 00	469,500	2,030,816	2,851,218	4,049,927	5,810,598
35 00	447,750	2,369,285	3,326,412	4,724,924	6,779,031
40 00	626,000	2,707,755	3,801,624	5,399,902	7,747,564
45 00	704,250	3,046,224	4,276,827	6,074,890	8,715,897
50 00	782,500	3,384,693	4,752,030	6,749,878	9,684,330



CHAPTER XXVI.

BANKING AND INSURANCE.

I wish I could write all across the sky, in letters of gold, the one word, SAVINGS-BANK.

REV. WM. MARSH.

The relations of the banking system to the operations of general trade are so intimate and indispensable that every man of business should be acquainted with their nature and extent.

JAMES D. MILLS.

Insurance is to-day recognized as not only an integral and necessary factor in the commerce of nations, but it is imperatively demanded for the establishment and maintenance of commercial credit among all civilized peoples. To such importance has it grown that governments have acquired immense revenues by taxing the income derived from it, and have in some instances assumed greater or less control over it.

INSURANCE YEAR BOOK.



BANKS are of three kinds—of discount and deposit, individual or private, and savings-banks. They have all but one object—to make money with money.

This principle is all-important with the money-maker; and to know how this is done is to accomplish a great object. This chapter will not presume to give such institutions or individuals any information how it is to be done; for their success generally is a proof that they understand that. Further, it is an occupation —

and it may be considered a trade within itself — requiring long experience, large knowledge of values, good judgment, rare firmness, and in fact every business qualification in high perfection. Reference to banking as one of the most extensive means of making money with money, is simply to show the money-maker, after he has got his dollar, how others manage their dollars to advantage, so that he may know the danger of managing his own with his trifling information — a subject which requires superior knowledge and high acquirements to do well.

No statistics are at hand to compare directly any other trade or business with banking in the particular of success. An interesting fact, however, was asserted by an officer of an old Boston bank, that an investigation of their books revealed the fact that, of the one thousand accounts opened with it in starting, only six remained with it forty years afterwards. The parties to all the others had either failed or died destitute of property. The bank had stood, while nine hundred and ninety-four traders out of one thousand had gone down. It can probably be asserted with safety that not five per cent of failures occur in any regular banking business, while there are ninety to ninety-five per cent among commercial houses. Both deal substantially in the same things, the one class in the articles themselves, the other in the paper representing their value. This fact is sufficient to awaken the mind of the merchant or trader to an investigation of the

manner in which banks handle their values — what they do, how and when they do it, and how they happen to succeed when so many others lose and fail. And now, Mr. Trader, or Sir Merchant, if you are wide awake enough to this fact to push the investigation and profit by it, you are prepared for a better day's work than you ever did in your life. But more likely you will say, "Pooh! a bank is one thing, a mercantile business another." You say the truth, indeed, as both are conducted at the present day. The result, however, is that the one is a success, while the other is a failure.

But not the trader alone is interested in this question: it is for every one who has made a dollar or who is in the way of making it, to be interested in knowing the machinery of banking, how money is made from money, and further, to know that it requires machinery of a peculiarly delicate nature, and specially well managed, to accomplish the object, at least in this particular way of making money with money. More than half the people who have labored for their dollar do not know that such machinery can have the least bearing upon what they have made, and that putting it through this machine, or some process like it, will send it forth increased in value. The trouble is that they generally put it into some kind of a machine which never allows them to see it again at all, much less any increase from it.

Can the fine, exact machinery of a mint be made

by a novice? or can it be managed by one totally ignorant of its construction? Just as well might a man attempt to increase his means without some knowledge of the necessary machinery, as to coin a standard dollar without knowing the process by which it is coined, and having the faculty to use his knowledge in the coinage. The trade of multiplying dollars by making dollars work is not caught up in the inspiration of the moment, and he who has a dollar to set at work must know well how the work is to be done; he must find a machine that is known to do this kind of work well, or loss of it is the inevitable result. Hence the long, sad list of failures and wide-spread poverty among our most worthy and energetic men — not to accomplish or earn, or even to amass, but to save, because their dollar has gone into the wrong machine.

The process of banking is the machinery required in order to make money with money. What is this process? In banks of discount and deposit, a number of capitalists generally put in a sum of money apiece, and receive therefor certificates of stock, according to the amount of their subscriptions. The stockholders duly assemble and choose several of their own number for directors, who in turn meet and elect a president, cashier, and sometimes other officers. In their bank people leave (deposit) their money for safe-keeping within convenient reach; and the original money subscribed by the stockholders, with the deposits, makes a capital with which to purchase mon-

eyed, interest-bearing securities — generally notes of hand, representing property of different kinds. The bank is then ready for business — to loan the money on short dates for an increase.

The whole matter is very simple to this point, and almost any one could go through it. But now comes the tug of war, for success or failure, even in this business. A merchant enters with a note he has taken for goods sold, and says to the Cashier, "I wish you would give me the money on this." The answer is, "I will hand it to the President, and give you a reply after the Board meets." The President lays the applicant's paper before the Board of Directors; and if it is strongly endorsed and has collateral security enough to make the loan perfectly safe, the note is "done," as it is called, and the merchant gets his money.

Do you see anything in this process to attract attention? When you take a note, or part with property or money, do you do anything of this kind? Do you submit your financial transactions for the approval or rejection of two shrewd, trained business men, who, not content to rely solely upon their own judgment, summon to their aid a number of other first-class business men, to pass upon the security offered? Bear in mind that in the very first instance they require at least two good, strong names to start with, or equally safe collateral security, and then that the line of payment is usually very short — from thirty to ninety days. Sometimes

a bank loses even with these precautions ; but not very often. By requiring two names and making the time of payment short, one or the other is pretty certain to save the loan. No business transaction has not some risk, the main thing being to reduce that risk by every devisable precaution as low as possible. In the matter of taking a note, twelve to fourteen able and long-trained business men carefully consult as to the value of the security proposed, and every one is pecuniarily interested in the result. An isolated person, then, who has a security to take, can consult no one else who has a like interest with him. Such investments are generally made upon reference to persons who have no interest with the one who parts with his property, but whose interest as a general rule is to have you part with your property, that they may get pay for the property with which they have parted.

Now, do you think a bank would part with its money on such terms or such representations? If it did, any one knows what would be the result. Do you wonder, then, that on such a system of credits traders fail, or that banks succeed by such care, caution, and scrutinizing discrimination? The banks divide their earnings periodically among the stockholders, who make new investments in similar kind; while the trader declares no dividend, puts nothing away to the good, but keeps all his eggs in one basket, subject to the vicissitudes of trade.

Banks of discount and deposit are useful, as a means

of making money with money, to those who have comparatively large sums to set at work. But there is a class of moneyed institutions called savings-banks, in which any person can in like manner set any sum at work, from one dime upward. But the amount of profit derived is not generally so great as in the banks of discount and deposit. The savings-banks will receive separate treatment presently.

Although banks present so far the nearest approach to perfection in the interchange of values represented by paper, there are certain general principles that will materially increase these earnings. They may briefly be stated to be,—

First, the business qualifications of its officers.

Second, judicious selection of its credit.

Third, the current expenses.

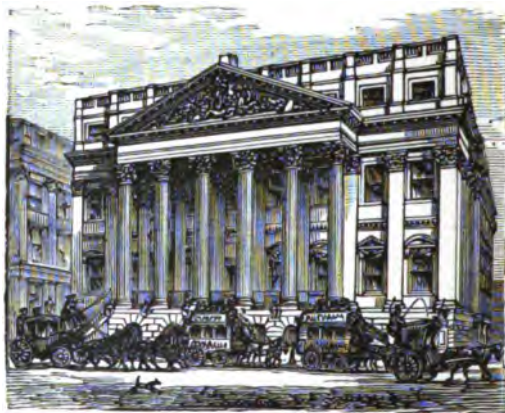
Fourth, general reputation.

The personal popularity of the officers of a bank, and the manner in which customers or depositors are treated, either win or lose money for the concern, the same general rules of courtesy holding in these cases as in transactions between merchants, or between them and their customers. No thoughtful business man will neglect this principle, whether he is in a bank or any other business where his profits depend upon people who have a choice, and can take their money at discretion to one or to another. If a depositor goes into a bank to get some of his money, and a teller makes him wait while he finishes a long chat with a

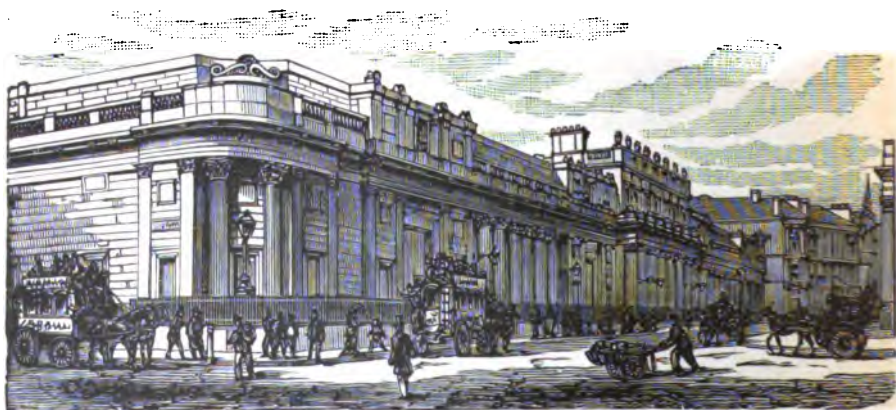
fellow-clerk or adds up a column of figures as long as his arm, which he could just as well postpone a moment, the underling is unfit for his place and is a damage to the bank — money actually lost to it. Say what you will, the waiting man feels uncomfortable ; and instead of using his influence to advance the interests of that institution, he will hold it back, if he does not inflict damage in some way. Instead of an active friend, the bank will have but a cool one, if not an open enemy ; and there is no telling when his influence, by a single word, may not strike to its damage or loss. So any other carelessness or neglect, on the part of a bank officer or employee, will tend to the same result.

On the other hand, to be polite, attentive, agreeable to all, at the same time doing business on business principles, will bring many dollars into the deposit-line, and long keep them there. The bank will make powerful friends, whose influence will be exerted to bring it new business and open new avenues of profit. An interest in the welfare and prosperity of the institution is lighted up, that will serve as a watchfire for its interests, and give the alarm when danger of loss appears. A general reputation and thrift will be infused into its whole business, which will roll in heavily on the deposit-line and out heavily on the dividends. In time of trouble all will pay such an institution who can.

Savings-banks are organized and conducted by per-



MANSION HOUSE, IN LONDON.



BANK OF ENGLAND.

sons of much practical knowledge and financial skill, for the benefit of those who desire to save and improve small sums of money, but do not know where or how to place them at interest, and yet have them subject to their call. The savings-bank was started by Miss Priscilla Wakeham, of the Parish of Tottenham, Middlesex, England, nearly a century ago, and after some years had a very rapid growth. The plan is eminently useful and truly charitable. It requires a convenient building for its business, and the usual officers to conduct it. They take deposits, large or small, and invest them in good-sized sums at higher rates of interest than they pay depositors, the difference being used for current expenses and salaries. The interest received is usually seven per cent or more, and that paid depositors is four to five per cent, and even less for very short periods of deposit.

The bank holds itself ready to meet obligations to depositors at all times, on demand. The advantage resulting to the depositor is apparent, since he can not invest small sums safely in any other way. He generally knows nothing of practical financiering, and it would be costly for him to get security by any other means. Other securities, too, are not always convertible into cash without some percentage of loss.

Too much can hardly be said in favor of savings institutions for the protection of earnings and as incentives to economy. They supply a safe and certain means by which in a few years, as we have already

seen, an independence can be attained, and the money that represents it is always within reach. The money that a mechanic, day-laborer, domestic, operative, or other wage-worker, spends in trifles that add neither to his comfort nor happiness, is a powerful stream of wealth, which, if poured into a savings-bank, soon becomes a large amount of money. The first dollar thus saved and fast anchored, becomes the nucleus of further and rapid additions, and the taste for economy and desire of accumulation will grow with every successive deposit. Such a person becomes a conservative member of society, a good, prosperous citizen. When a man or woman has made the first deposit, from that moment his or her services are more valuable, and higher wages can be commanded. It is a guarantee or endorsement that the depositor's course of life is to be governed by principles of economy and habits of saving, and that the property of an employer is not to be wasted or destroyed. No one, then, should fail to make a first deposit, or to train himself to strict principles of economy, the cutting-off of such expenses as are not really necessary for either comfort or respectability. It should be remembered, also, that such a course commands general respect and uplifts the depositor's character. One feels more independent, and carries the evidence of it in his whole bearing and demeanor, when he is free of debt and has money at interest. If this statement should be challenged by any one, let him try it, and

he will find, from the instant of success, that he lives in a new world. Any person, no matter what his walk in life, is more esteemed and more deferred to by his fellows if he is known to be without embarrassments or encumbrances, and has money at his disposal. The same rule governs the coachman, the housemaid — all classes of persons. Let it become known that an industrious young working man or woman has a bank account, with his bank-book as the evidence of it; and though the amount of his deposit be wholly unknown, the mere fact of it gives one importance and influence. There is no surer way for a young woman to get a husband, and most likely a good one, than to have a good sum in bank.

Upon the next two pages we give tables showing the wonderful results of compounding interest for terms of one year to one hundred years, and at rates from one to eight per cent. Upon the basis of the one dollar given, the amount for any sum may be computed. Thus, to find what \$50 will come to in twenty years, at four per cent interest, find the result for one dollar in the table, which is \$2.19, and multiply it by fifty, which gives \$109.50. These tables are highly interesting and valuable, and should be carefully studied.

Under the head of Insurance are classed several varieties — among the more common fire, marine, inland, accident, and life, among the rarer tornado, live-

TABLE.—COMPOUND INTEREST.

Showing the *Amount* of \$1 improved at Compound Interest for any number of years not exceeding 100.

[illegible]

TABLE.—COMPOUND INTEREST.

Showing the *Amount* of \$1 improved at Compound Interest for any number of years not exceeding 100.

YEARS.	1 per cent.	1½ per cent.	2 per cent.	2½ per cent.	3 per cent.	3½ per cent.	4 per cent.	4½ per cent.	5 per cent.	6 per cent.	7 per cent.	8 per cent.
51	\$1.66	\$1.14	\$1.75	\$1.52	\$1.52	\$1.78	\$1.739	\$1.944	\$1.12	\$1.53	\$1.52	\$1.65
52	1.68	1.17	1.86	1.61	1.65	1.98	1.769	1.986	1.14	1.64	1.63	1.71
53	1.69	1.20	1.86	1.70	1.70	1.99	1.799	2.031	1.16	1.68	1.69	1.78
54	1.71	1.23	1.91	1.79	1.79	2.03	1.831	2.077	1.18	1.72	1.73	1.82
55	1.73	1.27	1.97	1.89	1.88	2.06	1.865	2.126	1.20	1.76	1.77	1.86
56	1.75	1.30	2.03	1.98	1.93	2.07	1.899	2.176	1.22	1.80	1.81	1.90
57	1.76	1.34	2.09	2.08	1.99	2.11	1.935	2.229	1.24	1.84	1.85	1.94
58	1.78	1.37	2.15	2.19	2.05	2.13	1.973	2.285	1.26	1.88	1.89	2.00
59	1.80	1.41	2.22	2.29	2.12	2.16	2.012	2.343	1.28	1.92	1.93	2.04
60	1.82	1.44	2.28	2.40	2.19	2.18	2.052	2.403	1.30	1.96	1.97	2.08
61	1.85	1.48	2.35	2.51	2.26	2.21	2.094	2.466	1.32	2.00	2.01	2.12
62	1.88	1.52	2.41	2.62	2.33	2.24	2.138	2.532	1.34	2.04	2.05	2.16
63	1.89	1.55	2.48	2.74	2.40	2.27	2.183	2.601	1.36	2.08	2.09	2.20
64	1.89	1.59	2.55	2.86	2.48	2.31	2.231	2.673	1.38	2.12	2.13	2.24
65	1.91	1.63	2.62	2.98	2.56	2.35	2.280	2.748	1.40	2.16	2.17	2.28
66	1.93	1.67	2.69	3.10	2.64	2.39	2.331	2.827	1.42	2.20	2.21	2.32
67	1.95	1.71	2.77	3.23	2.72	2.43	2.384	2.909	1.44	2.24	2.25	2.36
68	1.97	1.75	2.84	3.36	2.80	2.47	2.440	2.995	1.46	2.28	2.29	2.40
69	1.99	1.79	2.92	3.49	2.89	2.51	2.497	3.085	1.48	2.32	2.33	2.44
70	2.01	1.84	3.00	3.63	2.97	2.55	2.557	3.178	1.50	2.36	2.37	2.48
71	2.03	1.88	3.08	3.77	3.06	2.59	2.619	3.276	1.52	2.40	2.41	2.52
72	2.05	1.92	3.16	3.92	3.15	2.63	2.684	3.378	1.54	2.44	2.45	2.56
73	2.07	1.96	3.24	4.07	3.24	2.67	2.752	3.485	1.56	2.48	2.49	2.60
74	2.09	2.00	3.32	4.22	3.33	2.71	2.823	3.597	1.58	2.52	2.53	2.64
75	2.11	2.05	3.40	4.38	3.42	2.75	2.897	3.714	1.60	2.56	2.57	2.68
76	2.13	2.10	3.48	4.54	3.51	2.79	2.974	3.837	1.62	2.60	2.61	2.72
77	2.15	2.15	3.56	4.70	3.60	2.83	3.054	3.965	1.64	2.64	2.65	2.76
78	2.17	2.19	3.64	4.87	3.69	2.87	3.137	4.098	1.66	2.68	2.69	2.80
79	2.19	2.24	3.72	5.04	3.78	2.91	3.223	4.237	1.68	2.72	2.73	2.84
80	2.22	2.29	3.80	5.21	3.87	2.95	3.312	4.381	1.70	2.76	2.77	2.88
81	2.24	2.34	3.87	5.39	3.96	2.99	3.404	4.531	1.72	2.80	2.81	2.92
82	2.26	2.39	3.95	5.57	4.05	3.03	3.499	4.687	1.74	2.84	2.85	2.96
83	2.28	2.44	4.03	5.75	4.14	3.07	3.597	4.849	1.76	2.88	2.89	3.00
84	2.31	2.49	4.11	5.94	4.23	3.11	3.698	5.017	1.78	2.92	2.93	3.04
85	2.33	2.54	4.19	6.13	4.32	3.15	3.802	5.191	1.80	2.96	2.97	3.08
86	2.35	2.60	4.28	6.33	4.41	3.19	3.909	5.372	1.82	3.00	3.01	3.12
87	2.38	2.65	4.36	6.53	4.50	3.23	4.019	5.560	1.84	3.04	3.05	3.16
88	2.40	2.71	4.45	6.74	4.59	3.27	4.132	5.755	1.86	3.08	3.09	3.20
89	2.42	2.76	4.54	6.95	4.68	3.31	4.248	5.958	1.88	3.12	3.13	3.24
90	2.45	2.82	4.63	7.17	4.77	3.35	4.367	6.169	1.90	3.16	3.17	3.28
91	2.47	2.88	4.72	7.39	4.86	3.39	4.489	6.389	1.92	3.20	3.21	3.32
92	2.50	2.93	4.81	7.62	4.95	3.43	4.614	6.618	1.94	3.24	3.25	3.36
93	2.52	2.99	4.90	7.85	5.04	3.47	4.742	6.856	1.96	3.28	3.29	3.40
94	2.55	3.05	4.99	8.09	5.13	3.51	4.873	7.103	1.98	3.32	3.33	3.44
95	2.57	3.11	5.09	8.34	5.22	3.55	5.007	7.359	2.00	3.36	3.37	3.48
96	2.60	3.18	5.19	8.59	5.31	3.59	5.144	7.625	2.02	3.40	3.41	3.52
97	2.63	3.24	5.29	8.85	5.40	3.63	5.284	7.901	2.04	3.44	3.45	3.56
98	2.65	3.30	5.39	9.11	5.49	3.67	5.427	8.187	2.06	3.48	3.49	3.60
99	2.68	3.37	5.49	9.38	5.58	3.71	5.573	8.484	2.08	3.52	3.53	3.64
100	2.70	3.43	5.59	9.65	5.67	3.75	5.722	8.792	2.10	3.56	3.57	3.68

stock, and plate-glass insurance. All belong to the class of business we are considering — money-making with money. They are further subdivided into cash and mutual companies, and are here considered more as examples how money can be made with money, and so of peculiar interest to the money-maker, than with a view to special commendation of them, as the most or the least profitable method of so doing. It is rather also to explain their existence as means of saving than of making.

Like banks, insurance companies are usually conducted by superior business men, and upon the same general principles. They have become genuine necessities to all who have property at the risk of the elements, and can not afford to insure themselves — that is, to lose without embarrassment. To the money-maker they are invaluable, not only as a means of offset against loss, but to make accumulated money gain money. Sometimes the profits of such a business are very large — and at times, too, more frequently than in banking, there is a total loss of the capital invested. It may be said, indeed, that in all business where profits are large, corresponding risks of loss are run. In this branch the chances of gain are greater on marine than on fire insurance, other things being equal.

But the chief benefit of such institutions to the money-maker is that, if his property is in such shape that it can be destroyed by the elements, and it is so destroyed, wholly or partly, he can cover his loss by

the payment annually of a comparatively small sum. Every one, therefore, who is endeavoring to make money should keep all his endangered property fully insured. An hour's neglect may lose you many years of toil, as has repeatedly occurred. Take especial care when you settle your agreements with the company's agent; see that all stipulations are written into the body of the policy, and read it over when completed, with cautious criticism of every point and particular. Observe what you agree, and what they agree, to do. Probably not one-half the policies which are signed and accepted are read over in detail. People presume as of course that they are all right. So they may be; but enough unpleasant surprises and serious losses have resulted from this neglect to put you upon thorough watchfulness in the matter.

If, too, you do not know the officers of a company to be honest and reliable men, with a high standing as such in the community, let it alone; it will probably not pay you in case of loss, if it can get out of it. And if you hear of a company whose "adjuster" is forever chaffering, and screwing and scaling down a loss, and never paying fairly full amounts, especially when a poor man or woman has sustained the loss, have nothing to do with that company; its managers will deal with you so in your day of distress. They have been paid your premiums to pay your loss in full to the extent of your policy, and should do so as cheerfully as they have taken your money. Look more to these

than to the capital of the company; but look well to both. Don't trust your property in the hands of those whom you do not know, personally or by authentic reputation, "down to the ground." Better pay a fair, reputable company — one that will take pains at once to find out what is your entire loss, and then pay it promptly — a large price at first, than have ten times the sum pared off by a rascally adjuster when your loss occurs. No company, it is true, will undertake this unless steeped in ignorance of its true interests; nor will it retain an official for one moment who tries to save dishonestly on a loss. They lose more by him in the end than do the insured. It is the style in which losses are settled that mainly draws business or repels it. No one forgets the company or the man who does the dishonest thing under such painful circumstances, or the one who deals fairly and uprightly with the misfortune.

The insured may be called upon to take the company's promise-to-pay for a large amount. Ask yourself, then, Would a bank take their note for this sum, and pay the face of it? Following fully the bank example, you would have to inquire of twelve or fourteen good business men whether they would do so, and trust the company if they would, taking your insurance accordingly.

But on the other hand, the company may be, and often is, subject to fraud by the insured. It is for its interest never to presume fraud without positive

proof, at least such proof as would convince a jury. It may better pay, and look next time more carefully to the policy-holder's character. More money will be made in the long-run by this course. For its own interest, too, there should be no long delay or palaver about the payment of a loss, unless it is intended to contest the case in the courts. A compromise will lose the company more than the sum apparently saved, since one-half of those who hear of it will take for granted that it was an unjust settlement.

The same exercise of civility and pleasant manners, and of interest in the insured, that was recommended to bank officers and employees, is necessary also in the insurance business. All courtesies tell to the profit of the company, the enlargement of its dividends; and in general there is no business in which sound judgments, honest purposes, good reputation, and a fair policy, are rewarded with more promptness and fullness than in this.





CHAPTER XXVII.

LIFE INSURANCE.

It is an unselfish, generous act when one takes out a life policy to protect his family. Not only this, but he is doing his simple duty.

ANONYMOUS.

The Life Insurance system has been for two centuries a positive force in the progress of modern civilization and the accumulation of national wealth. It has been an important educational factor in every community, which it has influenced in habits of economy, prudence, and providence. And it stands to-day side by side with the savings-bank and the trust company, sharing the confidence with which men who seek the welfare of their fellows crown all three.

REV. STEPHEN H. TYNG, Jr.



THE origin of life insurance is attributed to the Rev. Wm. Anhote, D. D., of Middleton, Lancashire, England, who opened a public office about two hundred years ago, for the benefit of widows, especially those of clergy men, and for the settling of jointures and annuities. In 1698, the "Mercers' Company" began to assure lives for the benefit of widows; and in July, 1806, under charter from Queen Anne, the "Amicable Society, or Perpetual Assurance," opened the first general office. Within a century and a half from that time, about one hundred life companies were founded

in the United Kingdom. In 1820 the "Hospital Life Insurance Company," first in this country, began its operations in Boston. Twenty-three years afterwards the first mutual companies were founded in that city and in New York. The number of life companies in the United States is now very large, and the system of late years has had an enormous development. It has become a highly important feature in the financial world ; and its object is of a nature likely to commend it to every thinking mind. We have before insisted that it is the moral and political duty of every one so to arrange his affairs that he shall under no circumstances become a burden upon the public or his friends : we now say that this branch of finance offers the best way in which such result can be obtained. For if the man be alone in the world, with no one dependent upon him, it can be shown that he will accumulate for himself as fast in some other way on small amounts, while if he has others dependent upon him, this is the only way by which an independence can certainly be assured to them.

However industrious, prudent, and saving one may be under circumstances that protect him and his, Death stands at his door to put an end at any time to such efforts, however well directed. From the responsibilities of this end there is but one loophole of escape, but one way by which the man thus situated may see his way clear, and conquer even the efforts of Death to thwart him. Life insurance meets the case ;

and while it does this effectually, if at the same time it accomplishes the further end of causing money to make money to the best advantage, it is still better. But if, again, it shows how to do this, and also to keep the accumulations, a treble triumph is won; and three problems harder to solve are not found in the whole range of finance. If, then, their solution can be accomplished by the most simple and untrained of financiers, this may be said to be the El Dorado of the protector's hope, if not of the unskilled money-maker and hoarder of his gains.

Let any one, then, who has such obligations upon him, consider well their binding force, politically and socially, even if he have no promptings of love or gratitude to the same end. As an anonymous writer has put it, "What a neglect of duty it is for a head of a house to go uninsured! Probably more than two-thirds of the families in any community are dependent for their subsistence upon the daily earnings of the husband or father. Precarious, indeed, must that subsistence be, which hangs wholly and absolutely upon one life — that of the father. When he ceases to exist, not only a parent dies, but a fortune perishes. Then is his life — the mint — closed to those who drew from it. How deplorable such a state of things must be when so many sudden deaths occur!"

Let the husband and father look over the following mortality table, and see what his expectancy of life is. It will in all probability arouse him to sudden



INSURANCE WILL ASSURE.

and energetic action in the right direction, before his opportunities are past, with no chance to retrace or amend his ways.

TABLE

Showing the probable number of persons living at the end of each year out of every 1,000 born at the same time, and the life expectancy; as calculated from the Carlisle Table of Mortality.

Age.	No. Living.	Expec.	Age.	No. Living.	Expec.	Age.	No. Living.	Expec.	Age.	No. Living.	Expec.
1	846	44½	27	579	36½	53	421	19	79	108	5½
2	778	47½	28	575	35½	54	414	18½	80	95	5½
3	727	50	29	570	35	55	407	17½	81	84	5½
4	700	50½	30	564	34½	56	400	17	82	72	5
5	680	51½	31	558	33½	57	392	16½	83	62	4½
6	668	51½	32	553	33	58	384	15½	84	53	4½
7	659	51	33	547	32½	59	375	15	85	44	4½
8	654	50½	34	542	31½	60	364	14½	86	37	4½
9	649	49½	35	536	31	61	352	14	87	30	3½
10	646	49	36	531	30½	62	340	13½	88	23	3½
11	643	48	37	525	29½	63	327	13	89	16	3½
12	640	47½	38	519	29	64	314	12½	90	14	3½
13	637	46½	39	514	28½	65	302	11½	91	10	3½
14	633	45½	40	507	27½	66	289	11½	92	7	3½
15	630	45	41	501	27	67	277	10½	93	5	3½
16	626	44½	42	494	26½	68	265	10½	94	4	3½
17	622	43½	43	487	25½	69	252	9½	95	3	3½
18	618	43	44	480	25½	70	240	9½	96	2	3½
19	613	42½	45	473	24½	71	228	8½	97	2	3½
20	609	41½	46	466	24	72	214	8½	98	1	3
21	605	40½	47	459	23½	73	200	7½	99	1	2½
22	600	40	48	452	22½	74	184	7½	100	1	2½
23	596	39½	49	446	22	75	167	7	101	1	1½
24	592	38½	50	440	21½	76	151	6½	102	0	
25	588	38	51	434	20½	77	136	6½	103	0	
26	584	37½	52	428	19½	78	121	6	104	0	

The basis of life insurance is laid in mortality tables, which are prepared by collecting a large number of cases of death, and by calculation upon them ascertaining the average duration and prospect of human life at any given age. The results of course vary in

different parts of the world, according to sanitary conditions and other circumstances. The foregoing table, with slight changes, made necessary by the statistics here, is the usual basis in this country. It was made up from the observations of nine years, 1779-87, at Carlisle, England. A close inspection of it will enable the reader to see what the managers of a life-insurance company have mainly to guard against. The length of time the average person has the prospect of living, under this calculation, is called his "life-expectancy."

So far as the objects of this work are involved in the principles of life insurance, there are but two duties to the reader to perform :

First, to show the best means of utilizing the system.

Second, to point out the safest and most profitable plan for using it.

Some facts under each head will be furnished, and an opinion upon them given : that is all for which we are responsible.

Most insurance companies are founded upon one of four different bases—the cash-stock and cash-premium, in which the insured have no share in the profits, and three mutual systems, in which the insured have such interest. Some founded on the latter plan have a cash capital, and premiums are paid to them in cash and notes ; others have no cash capital, but their premiums are similarly paid ; while still others have no cash capital, but all premiums are paid in

cash. All, however, have the same object; and any one proposing to insure can decide, after careful inquiry into their several foundations and the benefits respectively flowing to the insured, what kind of company he will select.

To take out a life policy is an important undertaking, especially if the insured has no aid from any source to lighten his payments. As he grows older, it often happens that his ability to pay becomes less, and the benefits of his previous payments may be endangered. The mutual plan obviates this serious objection to the older scheme of life insurance. By division of profits it reduces the premiums from year to year, and in at least one of the mutual companies in this country they cease altogether in sixteen years. This is the crowning excellence of the mutual cash plan, and as a consequence the business of such companies is assuming gigantic proportions. The true tests of merit in a business operation are its results. Individual opinions have their value as a measure of the three methods of mutual insurance; but this test supplies proof positive.

One thing is certain, that no mutual company can do a successful business on a note system, unless the notes are paid; and if the insured gets no benefit, the cash plan is the safer, because then he knows just what he can do, and proceeds accordingly, while on the plan of notes an undertaking is entered upon which it may or may not be within his power to exe-

cute. One fact involved in both plans should be perfectly understood: Under the mutual note-and-cash system, the commission paid for procuring insurance is apt to be twice as much as in the cash companies. A shrewd business man would regard this as a significant fact, and altogether decisive of his choice.

Passing this point as part of the expenses of the mutual plan, let us look at others. The larger the business done the less will be the expense to be borne by each policy-holder, and the larger will be the dividend of profits. The truth of the whole matter is in a nut-shell—the most successful company, receiving the largest share of patronage from the public, especially if the brokerage paid is only one-half that given by others, is the company for your policy, since you have for its highest recommendation not an isolated opinion, but the judgment of a large part of the community. Look for that company, and insure in it. Your money is safe in its possession, and your beneficiaries will be paid at your death, by all human probabilities. Choose it upon the same principle by which you select the heaviest bank in which to deposit your money, though there may be others of smaller means, but equally good.

The equitable division of profits among the assured is the strong point of the mutual companies. To do business for the interest of those for whom you do business, is a sure road to success. It inspires confidence and makes hosts of friends, besides those who

are directly benefited. Every dollar one loses by an insurance company is two dollars taken from its future earnings, though the dollar is added temporarily to its resources. By loss is meant all that beyond the just charge for the risk and time for which the insured pays, and if it be in a mutual company, all beyond a just and accurate proportion of expenses for the time insured. The position of a life company, which is really making money out of those it professes to be protecting, with charitable intents, is a false one. The true principle is that, whatever the insured pays to a company as premium on any risk, should stand to his credit until death occurs, or the just proportion is refunded. For the company would make the most money by it, besides being the protector of the unfortunate. Instead of taking from those who could no longer pay, what they had entrusted to the care of the company, the company would be sought for like a bank of savings, to return, or at least keep for their benefit their hard earnings. A savings-bank will not close its books and refuse to pay a depositor what he has earned, because he can make no more money, nor should a life company do the like.

In the mutual companies, on both the note and cash systems, those who insure at different times for the same amount get the same sum in dividends. So that, if the company receive a large accession to its business, the new-comers take what really belongs to the older insurers, a system of injustice that soon becomes

burdensome even to insurers, and grows more and more so as the business increases.

Another modern and very excellent feature is the non-forfeiting of policies when the policy-holder becomes unable to pay his premiums. In many States this is now required by law. Any life insurer, who has paid money to his company for a policy, can get an equitable return or "paid-up policy" for the premiums he has paid to any time when he chooses to stop payments. Of course he can not get the full sum, for his life has been insured meanwhile, and if he had died the company would have been compelled to pay the full amount of the policy. To get the benefit of the non-forfeiting system, however, the policy-holder must in some cases apply for it before the premium he intends to be the last shall become due.

Whole life policies can be secured in four ways — by annual premiums, by ten or five annual payments, or by one payment. The rates are about the same in all mutual companies. Such policies are more suitable for salaried men, or for persons having a small stated income. But no one in trade, or in any occupation about which there is risk of failure, should hesitate to save enough to pay for a life policy which would give him a reserve fund in case of accident; and he should be careful not to insure in any company that does not have the non-forfeiting clause in its policy.

Look at the vicissitudes of commercial life, and see

how large a number fall by the wayside into actual poverty, who, while their thousands were being melted away like the snows, could have secured to themselves and their families a home on the endowment plan, without missing the comparative trifle it would have cost. No one is free from chances of calamity; and when it comes, the life policy to the wife or other beneficiary, under certain restrictions, can not be reached by the creditor. At the high tide of prosperity, that usually occurs in a man's life at about thirty-five years of age, a life policy of ten thousand dollars in a mutual company, with cash dividends applied, will cost only about one-third that sum — cost but an amount which is often lost by injudicious credits or in some outside speculation. If men could see the down-hill side of life as it will probably be, very few would be without this means of purchasing a snug little home to shelter the dear ones whom it is their chief desire to provide for and protect.

The plan of paying up the whole premium in five or ten years is a beautiful feature in life insurance, as any one can make good the payments from the surplus of an ordinary business, and make sure, almost without knowing or feeling it, that this anchor to the windward has been cast. When fortune smiles and success cheers, few glance into the contingencies of the future. It would be greatly the better for them if they did.

As the groundwork of life insurance is laid in the money actually paid, it is interesting to one proposing to insure to know how to determine the best companies—those in which he can get the largest amount for his money. Such is not the company that promises the most, but rather that which, by calculation from what it has accomplished in a series of years, is still increasing. In the old style of insurance, it was held that if the companies paid a dividend on their cash capital and had a surplus in premiums, they were doing well. The mutual plan, however, has changed these notions, and a new state of things has arisen. Comparison between the cash-stock, cash-premium companies, in which the insured have no interest in the profits, and in case of death their beneficiary receives only the face of their policy, no matter how long it has run, and the mutual system, develops wonderful differences, especially on long dates. On protracted runs of such policies the losses to the insured become terrific in the former, and they are superior only on the first year to the best cash mutuals.

Considering the subject of life policy in any point of view, but especially from that of a cash mutual company, where the first premium is the heaviest payment, the payments decreasing rapidly as age increases, until finally the payments cease altogether, and the general inability of those having money to manage it, the conclusion inevitably results in the mind of any one having experience in investments, that this is the

best one that can be made by the majority of people, independent of the insurance itself. But when this also is taken into account, it is truly strange that any one who has dependants, and at the same time not ample means, should refuse to avail himself of the advantage. Nothing but utter ignorance of the matter could prevent it.

The quicker any one can secure the benefits of a paid-up policy, the better. Life policies can be fully paid for in five or ten annual payments, as before stated. Change of circumstances may thereafter render payments, however small, difficult or impossible; and the insured would then not get the full value of his payments, as he would if he continued them to the end. The ten-year plan of life policy is especially recommended, for many reasons; and if the reasons are good for ten years, they are still better for the payment in five years. The principle in all cases holds good, that the quicker you pay the more you get in value on your policy.

Next in order, but by no means the least important method of effecting life insurance, is the endowment policy. By this plan one can have his life insured for a term of years, and have the amount of the policy paid to himself, at any age after ten years intervene. No merchant, trader, or other person subject to the misfortunes of business, should not have an endowment policy. It is the best possible way of investing

and saving profits. Taken out in the name of the wife, no creditor can touch it, under certain limitations; and while it is a sure, safe, and swift way to accumulate, its benefits may come at a time when money will be especially prized. As was suggested long ago in this book, take ten per cent of your profits and invest them in an endowment policy, and you will undoubtedly see the time that you will be truly thankful, whether misfortune overtakes you or not, that some one advised you of such a plan of accumulating and saving.

Let any merchant or trader but read the statistics before given of successes and failures in business, and consider whether it is not wise for himself, particularly if he have dependants about him, to set aside a part of his profits for this purpose, against a possible day of calamity. Is it wise to risk all in your business, when you know that things beyond your control may occur, that will sweep away all your earnings "at one full swoop"? Man has but imperfect control of events. There are accidents and changes that may come upon the most prudent and far-seeing. Then anchor a portion of your property while you can; for even in this kind of investment, if you become unable to pay your premiums for the whole time, you do not lose what you have paid, since the company, by an equitable scale, will pay you an equitable amount.

Endowments are also provided for children, by which it is claimed that a fund can be supplied for

their collegiate education or for their support. In many cases this scheme may be not only useful, but necessary. Yet we can not see the benefit of such endowments, by comparison with deposits in savings-banks, and certainly not as compared with life-endowment policies. We do not see the benefit of any plan of life insurance or endowment, by which the earnings may be lost at a time when they are most needed. It would be better, where no life policy exists, to deposit in a savings-bank, where the earnings would be at command when they are desired to alleviate distress and cure the aches of poverty.

This chapter and this volume will now be closed by tables of rates in what are termed "survivorship annuities," and annuities on a single life. It will be seen that the former class is designed to benefit one person only. For this special object it will be observed to be the cheapest, most effective, and indeed the only, method of securing a definite, certain, and permanent support to a surviving wife or other beneficiary.

Annuities for a single life are not likely to be very popular in this country, where investments of large sums can so easily be made in real estate, bond and mortgage, State, United States, and other bonds, railway and bank stocks, etc., at seven per cent, while annuities in the best companies are on a basis of but four per cent. The companies could undoubtedly do better than this, if there were a reasonable certainty of

money remaining at present interest for a long series of years. It would not be prudent, however, to rest upon such calculations, as money over the water on the average does not command nearly so much as this. The annuity system is hence quite popular in the Old World, and annuities in this country may yet be found advantageous on the usual basis of interest, which is greater than that of some United States securities. This is especially true if the beneficiary is of strong constitution, and belongs to a lineage of unusual longevity.

Any one can readily understand the survivorship annuity tables on inspection. For example, suppose you wish to find the rate on a single life at forty years, on a basis of interest at six per cent. Turning to the third table, opposite forty years, under the head of six per cent, you find that you must pay \$12.002 for every dollar of yearly income.

ANNUAL PREMIUMS necessary to secure a Survivorship Annuity of \$100. When the Nominee is older than the Life Insured, without return of Premiums Paid, in case the Nominee dies first.

AGE.	Nominee 1 year older.	Nominee 2 years older.	Nominee 3 years older.	Nominee 4 years older.	Nominee 5 years older.	Nominee 6 years older.	Nominee 7 years older.	Nominee 8 years older.	Nominee 9 years older.	Nominee 10 years older.	Nominee 15 years older.	Nominee 20 years older.	Nominee 25 years older.	Nominee 30 years older.
20	\$ 35	\$ 00	\$ 66	\$ 31	\$ 97	\$ 62	\$ 28	\$ 94	\$ 60	\$ 26	\$ 58	\$ 24	\$ 12	\$ 79
21	45	09	73	37	01	66	30	94	59	24	50	13	19	60
22	56	19	81	44	06	76	38	95	57	22	43	13	20	41
23	68	29	90	51	12	87	35	96	57	20	35	13	21	22
24	80	40	99	58	18	98	37	98	59	17	27	13	22	02
25	94	51	09	67	25	108	41	00	67	18	31	13	23	82
26	108	62	19	76	32	118	46	03	76	18	33	13	24	63
27	124	73	29	86	40	129	50	06	87	18	35	13	25	43
28	140	84	39	97	48	140	55	09	98	18	37	13	26	23
29	158	95	48	108	56	152	60	12	109	19	39	13	27	02
30	178	106	58	119	65	164	66	14	120	19	41	13	28	82
31	198	117	68	129	74	176	72	16	131	20	43	13	29	63
32	218	128	78	139	83	188	78	17	142	20	45	13	30	43
33	238	139	88	149	92	199	84	18	153	21	47	13	31	23
34	258	150	98	159	101	210	90	19	164	21	49	13	32	02
35	278	161	108	169	110	221	96	20	175	22	51	13	33	82
36	298	172	118	179	119	232	102	21	186	22	53	13	34	63
37	318	183	128	189	128	243	108	22	197	23	55	13	35	43
38	338	194	138	199	137	254	114	23	208	23	57	13	36	23
39	358	205	148	209	146	265	120	24	219	24	59	13	37	02
40	378	216	158	219	155	276	126	25	230	24	61	13	38	82
41	398	227	168	229	164	287	132	26	241	25	63	13	39	63
42	418	238	178	239	173	298	138	27	252	25	65	13	40	43
43	438	249	188	249	182	309	144	28	263	26	67	13	41	23
44	458	260	198	259	191	320	150	29	274	26	69	13	42	02
45	478	271	208	269	200	331	156	30	285	27	71	13	43	82
46	498	282	218	279	209	342	162	31	296	27	73	13	44	63
47	518	293	228	289	218	353	168	32	307	28	75	13	45	43
48	538	304	238	299	227	364	174	33	318	28	77	13	46	23
49	558	315	248	309	236	375	180	34	329	29	79	13	47	02
50	578	326	258	319	245	386	186	35	340	29	81	13	48	82
51	598	337	268	329	254	397	192	36	351	30	83	13	49	63
52	618	348	278	339	263	408	198	37	362	30	85	13	50	43
53	638	359	288	349	272	419	204	38	373	31	87	13	51	23
54	658	370	298	359	281	430	210	39	384	31	89	13	52	02
55	678	381	308	369	290	441	216	40	395	32	91	13	53	82
56	698	392	318	379	299	452	222	41	406	32	93	13	54	63
57	718	403	328	389	308	463	228	42	417	33	95	13	55	43
58	738	414	338	399	317	474	234	43	428	33	97	13	56	23
59	758	425	348	409	326	485	240	44	439	34	99	13	57	02
60	778	436	358	419	335	496	246	45	450	34	101	13	58	82

ANNUAL PREMIUMS necessary to secure a Survivorship Annuity of \$100. Where the Nominee, or Person for whom the Annuity is intended, is younger than the Life Insured, without return of Premiums Paid, in case the Nominee dies first.

Age.	Equal Ages.	Nominee 1 year younger.	Nominee 2 years younger.	Nominee 3 years younger.	Nominee 4 years younger.	Nominee 5 years younger.	Nominee 6 years younger.	Nominee 7 years younger.	Nominee 8 years younger.	Nominee 9 years younger.	Nominee 10 years younger.	Nominee 15 years younger.	Nominee 20 years younger.	Nominee 25 years younger.
20	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
21	69	21	03	21	37	21	71	22	05	22	38	22	05	22
22	81	21	17	21	52	21	88	22	23	23	57	23	23	23
23	93	21	30	21	68	22	05	22	41	22	78	23	14	23
24	07	21	45	21	84	22	23	22	61	22	99	23	37	23
25	21	21	61	22	03	22	42	22	82	23	23	23	61	24
26	36	21	78	22	20	22	63	23	04	23	46	23	87	24
27	52	21	06	22	38	22	85	23	28	23	72	24	15	24
28	70	22	16	22	62	23	08	23	54	23	99	24	44	24
29	89	22	37	22	85	23	33	23	80	24	28	24	75	25
30	09	22	59	23	09	23	59	24	09	24	59	25	08	25
31	22	30	22	82	23	35	23	87	24	40	24	92	25	43
32	33	33	38	33	63	24	17	24	72	25	27	25	81	26
33	48	33	55	33	82	24	50	25	07	25	64	26	21	26
34	63	34	04	24	24	25	84	25	44	26	04	26	63	27
35	78	34	23	25	24	25	20	25	83	26	46	27	08	27
36	93	35	24	26	25	26	25	26	91	27	56	28	21	28
37	08	35	44	26	26	26	26	27	97	28	07	28	75	29
38	24	36	02	27	27	27	27	28	08	29	33	29	33	30
39	40	36	21	28	28	28	28	29	20	29	50	30	60	31
40	56	37	30	29	29	29	29	30	31	30	66	31	38	32
41	72	38	40	30	30	30	30	31	42	31	82	32	48	33
42	88	39	50	31	31	31	31	32	53	32	98	33	58	34
43	04	40	60	32	32	32	32	33	64	33	104	34	68	35
44	20	41	71	33	33	33	33	34	75	34	115	35	79	36
45	36	42	82	34	34	34	34	35	86	35	126	36	90	37
46	52	43	93	35	35	35	35	36	97	36	137	37	101	38
47	68	44	104	36	36	36	36	37	108	37	148	38	112	39
48	84	45	115	37	37	37	37	38	119	38	159	39	123	40
49	00	46	126	38	38	38	38	39	130	39	170	40	134	41
50	16	47	137	39	39	39	39	40	141	40	181	41	145	42
51	32	48	148	40	40	40	40	41	152	41	192	42	156	43
52	48	49	159	41	41	41	41	42	163	42	203	43	167	44
53	64	50	170	42	42	42	42	43	174	43	214	44	178	45
54	80	51	181	43	43	43	43	44	185	44	225	45	189	46
55	96	52	192	44	44	44	44	45	196	45	236	46	200	47
56	112	53	203	45	45	45	45	46	207	46	247	47	211	48
57	128	54	214	46	46	46	46	47	218	47	258	48	222	49
58	144	55	225	47	47	47	47	48	229	48	269	49	233	50
59	160	56	236	48	48	48	48	49	240	49	280	50	244	51
60	176	57	247	49	49	49	49	50	251	50	291	51	255	52

VALUE OF ANNUITIES ON A SINGLE LIFE.

Calculated on a basis of 4, 5, 6, 7, 8, 9, and 10 per cent. (Carlisle Table of Mortality.)

Age.	4 per cent.	5 per cent.	6 per cent.	7 per cent.	8 per cent.	9 per cent.	10 per cent.
1	\$16,554	\$13,995	\$12,078	\$10,605	\$9,439	\$8,502	\$7,732
2	17,726	14,983	12,925	11,342	10,088	9,080	8,251
3	18,715	15,824	13,652	11,978	10,651	9,584	8,705
4	19,231	16,271	14,042	12,322	10,957	9,858	8,954
5	19,592	16,590	14,325	12,574	11,184	10,064	9,141
6	19,745	16,735	14,460	12,698	11,298	10,168	9,237
7	19,790	16,790	14,518	12,756	11,354	10,221	9,287
8	19,764	16,786	14,526	12,770	11,371	10,240	9,306
9	19,691	16,742	14,500	12,754	11,362	10,236	9,304
10	19,583	16,666	14,448	12,717	11,334	10,214	9,286
11	19,458	16,581	14,384	12,669	11,296	10,183	9,261
12	19,334	16,494	14,321	12,621	11,259	10,153	9,238
13	19,209	16,406	14,257	12,572	11,221	10,123	9,213
14	19,081	16,316	14,191	12,522	11,182	10,091	9,187
15	18,995	16,227	14,126	12,473	11,144	10,061	9,161
16	18,836	16,144	14,067	12,429	11,111	10,034	9,140
17	18,721	16,066	14,012	12,389	11,081	10,011	9,122
18	18,606	15,987	13,956	12,348	11,051	9,988	9,104
19	18,486	15,904	13,897	12,305	11,019	9,963	9,085
20	18,361	15,817	13,835	12,259	10,985	9,937	9,064
21	18,231	15,726	13,769	12,210	10,948	9,909	9,041
22	18,093	15,628	13,697	12,156	10,906	9,876	9,015
23	17,950	15,525	13,621	12,098	10,861	9,841	8,987
24	17,800	15,417	13,541	12,037	10,813	9,802	8,955
25	17,644	15,303	13,456	11,972	10,762	9,761	8,921
26	17,485	15,187	13,368	11,904	10,709	9,718	8,886
27	17,320	15,065	13,275	11,832	10,652	9,671	8,847
28	17,154	14,942	13,182	11,759	10,594	9,624	8,808
29	16,996	14,827	13,096	11,693	10,542	9,582	8,773
30	16,852	14,723	13,020	11,636	10,498	9,548	8,747
31	16,705	14,617	12,942	11,578	10,454	9,514	8,719
32	16,552	14,506	12,860	11,516	10,407	9,476	8,690
33	16,390	14,387	12,771	11,448	10,355	9,435	8,657
34	16,219	14,260	12,675	11,374	10,297	9,389	8,619
35	16,041	14,127	12,573	11,295	10,235	9,339	8,578
36	15,855	13,987	12,465	11,211	10,168	9,285	8,534
37	15,665	13,843	12,354	11,124	10,098	9,228	8,488
38	15,471	13,695	12,239	11,033	10,026	9,169	8,439
39	15,271	13,542	12,120	10,939	9,950	9,107	8,388
40	15,073	13,390	12,002	10,845	9,875	9,046	8,337
41	14,883	13,245	11,890	10,757	9,805	8,991	8,292
42	14,694	13,101	11,779	10,671	9,737	8,937	8,249
43	14,505	12,957	11,668	10,585	9,669	8,883	8,206
44	14,308	12,806	11,551	10,494	9,597	8,826	8,160
45	14,104	12,648	11,428	10,397	9,520	8,764	8,111
46	13,889	12,480	11,296	10,292	9,436	8,697	8,056
47	13,662	12,301	11,154	10,178	9,344	8,622	7,995
48	13,419	12,107	10,998	10,052	9,241	8,537	7,925
49	13,153	11,892	10,823	9,908	9,121	8,437	7,840
50	12,869	11,660	10,631	9,749	8,987	8,324	7,744
51	12,565	11,410	10,422	9,573	8,838	8,197	7,634

VALUE OF ANNUITIES ON A SINGLE LIFE.

Calculated on a basis of 4, 5, 6, 7, 8, 9, and 10 per cent. (Carlisle Table of Mortality.)

Age.	4 per cent.	5 per cent.	6 per cent.	7 per cent.	8 per cent.	9 per cent.	10 per ct.
52	\$12,257	\$11,154	\$10,208	\$9,392	\$8,684	\$8,064	\$7,519
53	11,945	10,892	9,988	9,205	8,523	7,926	7,399
54	11,626	10,624	9,761	9,011	8,356	7,781	7,272
55	11,299	10,347	9,524	8,807	8,179	7,627	7,137
56	10,966	10,063	9,280	8,595	7,995	7,465	6,994
57	10,625	9,771	9,027	8,375	7,802	7,294	6,843
58	10,286	9,478	8,772	8,153	7,606	7,120	6,687
59	9,953	9,199	8,529	7,940	7,418	6,954	6,539
60	9,663	8,940	8,304	7,743	7,245	6,800	6,402
61	9,398	8,712	8,108	7,572	7,095	6,669	6,285
62	9,136	8,487	7,913	7,403	6,947	6,539	6,171
63	8,871	8,258	7,714	7,229	6,795	6,404	6,052
64	8,593	8,016	7,502	7,042	6,630	6,258	5,922
65	8,307	7,765	7,281	6,847	6,457	6,104	5,784
66	8,009	7,503	7,049	6,641	6,272	5,938	5,635
67	7,699	7,227	6,803	6,421	6,075	5,760	5,474
68	7,379	6,941	6,546	6,189	5,866	5,570	5,301
69	7,048	6,643	6,277	5,945	5,643	5,368	5,115
70	6,709	6,336	5,988	5,680	5,410	5,153	4,918
71	6,357	6,015	5,704	5,420	5,160	4,923	4,704
72	6,025	5,711	5,424	5,162	4,922	4,701	4,498
73	5,724	5,435	5,170	4,927	4,704	4,499	4,309
74	5,458	5,190	4,944	4,719	4,511	4,319	4,142
75	5,239	4,989	4,760	4,549	4,355	4,175	4,008
76	5,023	4,792	4,579	4,382	4,200	4,031	3,874
77	4,824	4,609	4,410	4,227	4,056	3,898	3,751
78	4,621	4,422	4,238	4,067	3,908	3,760	3,623
79	4,393	4,210	4,040	3,883	3,736	3,599	3,471
80	4,182	4,015	3,858	3,713	3,577	3,450	3,331
81	3,953	3,799	3,656	3,523	3,398	3,282	3,172
82	3,746	3,606	3,474	3,352	3,237	3,130	3,029
83	3,534	3,406	3,286	3,174	3,069	2,970	2,877
84	3,328	3,211	3,102	2,999	2,903	2,813	2,728
85	3,115	3,009	2,909	2,815	2,727	2,644	2,567
86	2,928	2,830	2,739	2,652	2,571	2,495	2,423
87	2,775	2,685	2,599	2,519	2,443	2,372	2,304
88	2,683	2,597	2,515	2,439	2,366	2,299	2,234
89	2,577	2,495	2,417	2,344	2,276	2,213	2,150
90	2,416	2,339	2,266	2,198	2,133	2,072	2,015
91	2,398	2,321	2,248	2,180	2,115	2,054	1,997
92	2,491	2,412	2,337	2,266	2,198	2,135	2,075
93	2,599	2,518	2,440	2,367	2,297	2,232	2,170
94	2,649	2,569	2,492	2,419	2,350	2,284	2,221
95	2,674	2,596	2,522	2,451	2,383	2,319	2,258
96	2,627	2,553	2,486	2,420	2,358	2,298	2,239
97	2,492	2,428	2,368	2,309	2,253	2,199	2,150
98	2,332	2,278	2,227	2,177	2,129	2,083	2,039
99	2,087	2,045	2,004	1,964	1,926	1,889	1,856
100	1,652	1,624	1,596	1,569	1,543	1,517	1,493
101	1,210	1,192	1,175	1,159	1,142	1,127	1,112
102	0,761	0,753	0,744	0,735	0,727	0,719	0,713
103	0,320	0,317	0,314	0,312	0,309	0,305	0,304

